

## **Aspects of Reforming Public Administration in Albania**

Blerta Selenica MPA  
Director, Public Administration Department

### **Abstract**

The paper analyzes main aspects of public administration reform in Albania during the last decade, focusing especially on last three years. At the beginning, the role of Public Administration Department has been highlighted and discussed. Later, the author identifies three important ingredients of reforming efforts: functional and structural reform, extension of scope of legislation related to civil service and wage system reform. The latest has been discussed in details for different public sectors like education, health service etc. The contribution of Training Institute of Public Administration to reform process has been also briefly identified. Finally, the paper concludes by describing the latest reform trend aiming to boost the usage of information technologies in Albanian public administration by pointing out the structure of Gov-Net and institutional benefits from services offered within its frame.

### **1. Public Administration Department (PAD) - Overview**

An important milestone in modernizing Albanian Public Administration has been the foundation of PAD in 1994, based on a government decision to create a governing unit in charge for formulation and implementation of the public administration reform. The most important next step has been the approbation by Albanian Parliament of Law on Civil Servant Status in 1999. This created a solid legal base for conducting several PAD functions, with a special focus on human resources management in public administration. In 2003, PAD played a leading role along with Ministry of Finance in reforming the wages' system in public administration institutions. Implementing the government program, a structural change took place in 2005, when PAD became a unit reporting to Interior Minister, instead of Prime Minister, based on a new functionality concept.

In 2005, beside the day to day management of civil service, for the first time PAD initiated a general organizational and functional review of public administration institutions. This movement aimed the rationalization of public administration structure, through identification of abundant positions in every institution, and increase of efficiency of the whole structure. This initiative was coherent with the new government policy (2005) of streamlining the public administration structure and “...creation of small, but effective state institutions”. Based on findings that existing structures were characterized by over-employment and low efficiency, reforming efforts were concentrated on staff reduction associated by the reformulation of job descriptions. These efforts resulted in a complete framework for functional review in public administration institutions. Recently, important steps were undertaken in reforming the wage system by drafting a new legislation, which aims to regulate the wage system of independent institutions and extend the civil servants wage system to other state institutions. Finally, PAD has been involved in several projects aiming to increase the use of computer technologies in day-to-day operations in public administration and e-governance.

## **2. Current Administrative Reform in Albania**

The reform in public administration sector actually includes:

- 1) functional and structural reform;
- 2) extension of scope of legislation related to civil service
- 3) wage system reform.

### **Functional and Structural Reform**

Reforming efforts in this direction have taken place in both central and regional/local level.

#### **a) Central Level**

The process of downsizing the government started at the end of 2005 and has been implemented through the first quarter of 2006. There are actually 14 ministries, compared to previous 17. This reduction has been associated with decrease of political positions in ministries by 21 %, which in turn resulted in considerable decrease of supporting staff (secretaries, drivers etc).

At the same time, a structural reform occurred, which consisted in redefinition of core governing functions, through reformulating of missions, strategic objectives, organizational structures, functions and job descriptions. Within the frame of this reform, a new structure has been implemented in all ministries. Its basic assumption requires that in every ministry core functions should be grouped in four main pillars:

- policy-making
- regulation
- services delivery
- supporting services

Directories and similar functions have been grouped into each pillar. In the case of multifunctional structures, the priorities of functions decide and a general director leads the pillar, having so reduced the number of persons reporting to the general secretary of the ministry and grouping the functions under “a single roof”. As a result the conflict between roles is avoided and a considerable amount of resources will be directed to policy-making strategy formulating processes. Focusing in a single process could also increase the capacity and specialization level of civil servants in a short-time period.

#### b) Dependant Central Institutions and Regional/Local Level

##### Dependant Central Institutions

The ministerial reform has been associated by similar actions in their dependant entities, focusing on two directions:

- functional reform and
- structural reform in wage system

Within the frame of functional review of dependant institutions, some of them were liquidated and merged, resulting in a lower total number of institutions with less employees and lower operational costs. As most significant, it could be mentioned the reform on dependant institutions of Ministry of Economy, Trade and Energy, where:

- Center of Technical Inspection was created instead of three previous inspection centers
- Albinvest was created instead of three previous agencies, dealing each with SME development, export promotion and FDI promotion
- National Agency of Natural Resources was created instead of four previous institutions acting in this field.

Similar actions are taking place in the Ministry of Agriculture, Food and Consumer Protection. This movement will continue during 2007 and will involve all dependant ministerial institutions.

#### **Extension of Scope of Civil Service Legislation**

Further development of Institutional Reform in Albanian Public Administration requires the extension of its scope in civil service. An action plan has been actually formulated for a three year period. It aims to establish common and comparable standards of professionalism and to ensure the stability in all state institutions that carry out critical and crucial public functions. Amendments with regard to civil servant legislation, has been formulated in two main directions:

- extension of the scope of civil servant legislation in more state institutions and
- improvement of HRM, especially recruiting procedures in civil service.

This action plan will be implemented in harmony with functional and structural review of ministerial dependant institutions.

#### **Wage System Reform (2006 – 2007)**

The main task of wage system reform has been the unification of wages and other rewards in Albanian Public Administration. So far, the unification includes the wage system for:

- high state officials,
- constitutional and independent institutions staff,

considering the president wage as a referring point (a special law has been approved). At the same time, civil servants wage system has been extended to all public administration institutions with regard to their core staff, while is under way the same action for supporting staff. For a considerable number of state employees this movement resulted in higher wages.

#### a) Institutions with Greatest Impact of Wage Structure Reform

There were two big groups of state institutions experiencing the greatest impact from wage reform:

- institutions dependant from Council of Ministers (average wage increase: 70.7%)
- institutions dependant from ministries (average wage increase: 45.9 %)

Considerable impact was noticed also in wage level of some special status institutions, such as: Prison Policy (average increase 20.66%), Tax Inspection (average increase: 34.48%), Guard of Republic (average increase: 12.5%) and Policy of State (14.75%).

#### b) Institutions with Considerable Wage Level Reform

In a certain number of institutions, there was no need for wage structure reform, but they benefited from a wage level increase. It could be mentioned the staff of Construction Police, Forest Police and National Intelligence Service, with an average

increase between 10 to 20 %. In this group of institutions the most significant increase occurred for Custom Duty staff, average: 62.4%.

c) Impact on Other Institutions

Some main state institutions (President and Parliament administration, some court institutions) were reformed during 2001 – 2005, so during the last two years they experienced a slight wage increase in average by 5.5 %. For another group, where Military Forces is the majority, the increase occurred in average by 5 %. A priority for previous reformed institutions was also the increase of the lowest wages in average by 15%.

d) Education and Health Care System

In the Health Care System:

- all wages were increased for nurse staff by average 25 %,
- for doctors and other highly educated staff wages were increased in average by 20%.

In the Undergraduate Education System all the staff had an average wage increase by 27 %.

As a result of this differentiated increase of the wage level and restructuring of wage system of state budget financed institutions:

- The total number of employees benefiting was 88.975, which accounts for about 85 % of the workforce in public sector.
- The general wage increase for public sector workforce was in average 19.8%.

A constant priority of the reform in this field will remain the increase of wage level in undergraduate and health care system, making them comparable with civil servants wage level, including supporting staff, which is in a more disfavored position.

### **3. Training Institute of Public Administration (TIPA)**

A special care has been paid to improvement of human resources capacities and ITPA, a unit dependant from PAD created in 1999, has been very active in this aspect. TIPA activities have been characterized by constant efforts to fulfill its mission: *“To boost the professional skills and to improve the basic knowledge of civil servants, so that each of them, in respective positions, to do the best for achieving both, institutional and own goals”*. According to its Strategic Plan for 2006 – 2009, TIPA has been focused on two main training packages:

- Improvement of Managing and Functional Skills and
- Issues Related to Integration with EU.

Beside these packages, there are as well smaller training modules aiming to meet specific training needs of civil servants.

Since its foundation TIPA has tripled the amount of training days per participant, instead two or three day training courses, complete development programs are now being offered. Recently, the scope of training activities has included also the tax administration. The effectiveness and efficiency of trainings has been constantly increased, due to reduction of average participants number (from 20 to 12) and reformulating the training programs according to “teaching through action” principle.

### **4. Development of Information Technologies**

#### **PAD Website**

PAD website ([www.pad.gov.al](http://www.pad.gov.al)) has been considered as an important information source for the entire public administration and citizens as well. Recently, it has been reconstructed as a portal for public administration, especially for central state institutions. Actually, PAD website contains updated information about civil service legislation, administrative and recruiting procedures, everyday activities, training courses, projects, donors etc.

### **Gov-Net**

In 2005, following the successful completion of an ambitious project, an Interministerial Network has been built, connecting the Council of Ministers with all Ministries, the Center of Official Publications and State Statistical Institute (INSTAT). Actually, this network is set up and running and additional applications of electronic communication are being tested on it. The general aim is to be nearer the public, more transparent and less expensive.

### **E-mail Service**

Based on Gov-Net infrastructure, different electronic services are being offered. One of them is the central e-mail service. All governmental e-mail messages has been centralized and every e-mail before entering or leaving the governmental infrastructure passes through several filters. This enables not only the control over the e-mail exchange and helps avoiding many risks, such viruses, spam, but facilitates as well the network maintenance for those institutions, which could not afford it individually. Finally, the citizens have a real opportunity to establish a direct communication with state institutions.

### **Database for HRM**

Setting up the Human Resources Management (HRM) System is actually one of the most critical tasks of PAD. Because of its importance and complexity (integrated action with a great number of other institutions is required) considerable amount of available resources is dedicated to this project. The main goal of this project is to set and run a system for human resources information management in public administration. The work done during 2005 – 2006 period resulted in setting up an internet-based computer system, which allows the entrance for each individual working in public administration easily and efficiently. During the testing period, important changes and adjustments were made in both, users interface and logical model of the system.