

Reforming Public Administration on the Local Level in the Republic of Macedonia

Introductory notes

Administration is one of the most significant phenomena in contemporary societies. It is an indispensable instrument in the co-ordination and performance of a great variety of very complex duties of both central and local authorities, contributing significantly to the development in many specific fields of a social reality and an overall social system. At both the central and local levels, the administration performs a lot of duties enabling the other organs, executive and legislative, to work successfully. The characteristic administrative tasks are the following ones:

- Following and analysing the situation in many social fields (education, health care, etc)
- Preparing acts
- Implementing local provisions
- Carrying out the policies determined by the other, executive or legislative bodies
- Passing acts in an administrative procedure, etc.

Their role becomes, in some circumstances, high profiled since in the process of the performance of their duties they communicate with citizens, enterprises, NGOs, and other stakeholders. Therefore, it is very necessary that both at central and local levels the administration should be:

- Well organised
- Socially controlled
- Educated and trained
- Motivated
- Equipped.

Therefore, in this paper, after the presentation and explanation of all relevant facts we shall try to make a synthesis of whether the Macedonian local administration is characterized by the above features and in that way is responsible, accountable, efficient and effective.

In addition, since the local government system is not a fully independent segment of the overall political system in a country, but is closely linked to the central authorities that regulate the set-up and modes of functioning of the local authorities and exert co-ordination and control over the local bodies including administration, the relationship between central and local authorities will be analysed as another factor determining the effectiveness and efficiency of the local administration.

Macedonian local government legislation

In order to understand better the characteristics and professional capacities of the local administration we can give a brief presentation of the range of Macedonian local competencies as a framework of where the administration performs its duties.

Local competencies according to the Local Government Act enacted 1995

Responsibilities mandated by law

The municipality shall:

- Adopt programs arranging building zones within the municipal territory
- Adopt a general urban plan after the approval of the state urban authorities
- Adopt a detailed urban plan and prepare urban documentation for the inhabited areas on the territory of the municipality after the approval of the state urban authorities that are obliged to consult some other organs and organizations in this respect.

The municipality shall regulate and organize:

- The construction and maintenance of local roads, streets and other infrastructure facilities of local relevance
- Drinking water supply, the drainage of rainwater and sewerage in conformity with law
- Settlement cleaning, garbage collection
- Lighting.

The municipality shall regulate, within the framework of the law:

- The maintenance of parks, greenery
- Local transport
- The maintenance of street and traffic signals
- The maintenance of public cemeteries
- The maintenance and utilization of the riverbeds
- The maintenance and usage of green markets
- The cleaning of chimneys.

Responsibilities chosen by discretion

- Municipalities may establish secondary professional schools, etc.

Taking into consideration the former local government competencies, the local units can perform public services by establishing enterprises for water supply, sewerage, street and road maintenance and construction, the maintenance of parks and greenery, the maintenance of cemeteries, etc¹.

A new Local Government Act was passed in 2002 that enlarged local competencies covering education, primary health care, economic activities, social care, etc.

¹ Local Government Act, *Official Gazette*, 52/1995.

However, it is not effective because the sectoral laws elaborating them have not been passed yet. Therefore, at the time being local competencies are few and they reflect the administration structure.

Legislative set-up of the local administration

The status, position, and competencies of local administration are stipulated in the Local Government Act² passed in 2002. According to it:

- Local administrations are established for the performance of those tasks within the competence of local government organs
- The municipal administration is organized in sectors and departments
- Municipal inspectorates can be established within the municipal administration
- The tasks of the local administration can be determined by the local council, upon the proposal of the mayor.

The mayor:

- Passes municipal regulations on the job positions of the municipal administration
- Manages the municipal administration
- Makes decisions on employment, as well as the rights, duties and responsibilities of employees in the municipal administration, unless otherwise determined by law.

Next, the local civil servants performing professional, legal, administrative, supervisory tasks, and those working within the administrative procedure have the status of state civil servants, and for the assessment of their activities, professional contributions, and salaries, the provisions of the specific Civil Servants Act will be applied. To the other employees, those working on administrative-technical and auxiliary jobs, the ordinary labour legislation provisions will be applied.

The duties of the municipal administration are the following:

- The preparation of the acts both for the mayor and municipal council
- The preparation of the sessions of the council, and its standing and ad hoc commissions
- Making expertise on behalf of the mayor and municipal council
- Being in charge of the accountancy of the municipality
- Following the situation in the fields of municipal competencies and making analyses about it as well as giving initiatives and suggestions for its improvement
- The provision of information and data related to the activities of the municipalities upon the request of the municipal organs or according to the law
- Keeping the documents of the municipality, etc.

² Published in *Official Gazette*, 5/2002.

There is the possibility of establishing a joint administration for the needs of two or more municipalities.

The control of the government is not directly exerted over the municipal administration, but over the acts passed by the Councils and the Mayors. However, since these acts are prepared by the local administration indirectly, their work is subject to control by the central authorities. The central bodies exerting that control are the following:

- The control of the legality of municipal regulations is exerted by the Ministry of Local Government
- The control of the legality of the work of the municipal organs is exerted by the state administration
- The control over material and financial work is exerted by the Ministry of Finance
- The audit of the material and financial work of the municipality is exerted by the State Audit Agency (that is within the Ministry of Finance)
- The control of the delegated competencies is exerted by the Ministry that has delegated the competencies to the municipal organs.

Cooperation between local authorities and central authorities

There are no provisions in the Local Government Act (2002) that deal with the cooperation between the local and central administration or at least the local administration and some central authorities. So, the relationship between the central and local authorities can be seen through these provisions:

- The municipalities will be consulted in due time and appropriately about the state activities concerning them
- Municipalities will be consulted for planning public affairs dealing with the preparation of the spatial plan of the Republic.

The Government may, for the sake of coordination, programming, and the implementation of its policies, conclude contracts in some fields for cooperation with the municipalities if there is a joint interest of both parties.

Obligatorily, it means that according to the law, the Government cooperates with the municipalities in relation to the:

- Laws related to the municipalities
- The amount of annual subsidies (grants) that should be allotted to the municipalities
- The sources of financing the municipal competencies.

Empirical research results

Cooperation between local authorities and central authorities

The fields where the communication between central and local administrations is the most intensive are urban and spatial planning, land construction management and

financial issues since the central authorities collect all taxes (and all but one fee for local authorities³) and later on distribute these amounts to the local authorities.

According to specific research⁴ documentation, the relations between the local branch offices (of the ministries, i.e. central authorities) and local administration can be dominantly characterized with negative attributes. More precisely, the mayors of 11 out of 12 researched municipalities find that the cooperation is very poor or non-existent. Their arguments are, that in many cases state branch offices do not respond at all to their initiatives, and in some cases the former do not want to provide the local authorities even with some information and that the inspectors within these state branch offices are corrupted and do not want to cooperate with local authorities even at the level of information. The most negative case in these terms is a specific municipality where the state civil servants in all offices (various ministries) are not even allowed - according to written instructions - to communicate with the local administration. There is one municipality only, whose mayor assesses the cooperation with the state branch offices as “sometimes good”.

In addition, the mistrust that the central authorities have against the local ones can be seen by the fact that no tasks have been delegated from the central to local authorities for the last 9 years, even though such a delegation of tasks was stipulated in the former Local Government Act enacted in 1995.

Lack of employees

The issue of the sufficient number of employees shows variation, where the newly established municipalities can be characterized with understaffing, or an insufficient number of employees, while in the older municipalities there are all three variations - underemployment, over-employment, or staff appropriate in number to the tasks that are being performed⁵.

Focusing on the newly established municipalities, we find, according to their mayors - who are in charge of hiring the local administration - that they lack a lot of staff. The analysis made on a representative sample of 18 newly established municipalities shows that they had averaged 2.7 employees in a particular municipality whereas they lacked 5.5 employees. The list of the employees needed includes all local administration categories - from administrators through communal inspectors, officers for communal affairs, traffic, construction engineers, accountants, architects, treasurers, interpreters, etc.

³ The local authorities collect the construction land utilizations fee only. All owners of buildings pay a fee to the local authorities for erecting their buildings on a construction land that is not private.

⁴ There are several pieces of research dealing with these issues such as *Functioning of the Local Government in the Republic of Macedonia*, conducted by the Institute of Sociological, Political and Juridical Research in 2000-2001, based on a representative sample of 12 municipalities and the City of Skopje, *Local Government Functioning in the Newly-Established Municipalities 2002*, etc.

⁵ Until 1996, there were 34 municipalities in Macedonia, each one consisting of a town and a number of villages gravitating towards it. Then the New Territorial Division was introduced, splitting the existing 34 into 123 municipalities. The 89 newly established municipalities that emerged from the old municipalities were mainly rural.

To these, mainly rural municipalities, the lack of staff is a very big problem that badly affects the everyday professional activities of the municipality.

The old municipalities mainly have a sufficient number of employees, but they cannot cover the needs of their municipalities, from a professional point of view. For example, some very ordinary positions are overstaffed, and some more qualified ones face a lack of staff.

Civil servants' education

The prevailing number of municipal employees polled (62,94%) have a university degree or higher; 32,51% are with secondary education and 4,55% are with primary education.

Work adaptation (introduction)

The answer to the question of how employees have been introduced into the working process reveals various practices. Whereas 32,92% of them did not pass an organized introduction to the work process, 37,47% learned the process by following the activities of their more experienced colleagues and 23,60% were conducted by their managers. Only 1,86% of them were conducted by a mentor, 4,14% did not produce an answer to the question.

Internal co-ordination

The opinions of the local civil servants, regarding the existence of co-ordination among the municipal sectors, were very divided. In that respect 50,72% of the respondents regard that there is a high quality of co-ordination among the municipal departments, and 46,17% have the extreme opposite attitude, while 3,11% did not produce an answer.

Job description

About 30% answered that there is a gap between their formal job description and their actual work performance. 6% of those polled did not produce an answer to this question.

Training

According to specific research: 40,17% of those polled stated that they had never been trained; 14,70% said that they had been trained less than 5 times in a period of 30 years; 15,53% said once in 5 years; and 26,09% said once a year. 3,52% of those polled did not answered.

The satisfaction of local civil servants with their remuneration

The big majority of the civil servants are not satisfied with their remuneration. Thus 57,14% of the polled are not satisfied at all; 34,58% are partially satisfied and 7,04% are satisfied, where 1,24% have not produced an answer to this question.

In this context, 21,39% of those dissatisfied with their wages say that better work incentives will be produced by raising their current wages by 70%; for 44,03% that

percentage is 50, and 23,88% of them find that their wages should be raised by at least 35% in order to stimulate better work.

Types of local leadership

Most of the respondents said that the type of leadership in their municipality depends on the current situation. 18,84% of them said that their leadership is authoritarian and almost the same (18,22%) that it is co-operative. 2,90% did not express their attitude towards this issue.

Organizational shortcomings

Most of the respondents (58,33%) said that there are shortcomings in their organizational structure. 20,83% did not think so, while 20,83% did not give an answer.

Obstacles towards better efficiency in the local administration

According to the answers of the respondents, more than 40 % answered that their job descriptions were very big impediment towards the efficient performance of their duties. To more than 30%, it is the overlapping of duties among the municipal sectors. To more than 20%, it is the lack of municipal employees. More than 30% believed that it is the low proficiency of municipal employees, and to about 60% it is the lack of financial resources.

Of course the list of obstacles to better professional efficiency of municipal employees is much longer, including poor legal regulations regarding the status of the municipality, very poor co-ordination between central and local authorities, a lack of computers, etc.

Organizational characteristics

Analysis by experts reveals the following situation:

- There are not very clear criteria for the division of duties among the local government administrative sectors or departments.
- In some municipalities, the organizational structure is very elementary. They have only departments for communal issues (local physical infrastructure), urban planning, some inspectorates, and departments dealing with internal issues providing administrative and financial support to local organs and bodies. There is no department dealing with the improvement of services.

Computer usage

46,79% of those polled do not use computers; 46,58% of them use them and 6,63% did not give an answer to this question.

Problems in the newly-established municipalities

Most of the newly established municipalities face a lot of problems in their everyday activities. Thus, according to some research, 13 out of 18 analysed municipalities lack

sufficient offices; 12 out of 18 lack office furniture; 9 out of 18 lack a fax machine; 10 out of 18 lack computers; 14 out of 18 lack a vehicle for business needs; and only 4 out of 14 are connected to the internet.

Conclusions

If we take into consideration the former facts about local government administration we can assess the various components of its functioning as being average or of a low level. Its organization, training, and equipment can be assessed as having an average functional quality, but low motivation. Therefore, its efficiency and effectiveness can be considered at or below average.

Public administration reform can be seen in the following directions

The organizational scheme of the administration can be improved by introducing sectors for human resource development, an information centre, a department for development and planning, etc. Such measures have not been undertaken yet.

One of the most important issues is the lack of specialized professional staff. Many municipal civil servants have university education, but they are usually from the law faculty, which does not produce very specialized staff. The solution in that respect is found by the establishment of public administration faculties that will produce their first generation of graduated administrators in the year 2005.

Another way to reform the field of municipal public administration is found in the Law on State Servants, passed in 2000. Municipal civil servants have the same status as state civil servants, and there is much regulation providing a regular and organized assessment of the work of civil servants, including better incentives such as a salary range of 1:9 instead of the current 1:3, promotion based on work achievements, etc. Another novelty is the establishment of the State Civil Servant Agency with the task of proposing assessment criteria, promotion criteria, and remuneration criteria to the local authorities. Unfortunately, this law has not produced any effects in practice, due to the lack of financial resources available to raise the salaries of the higher ranked civil servants without pushing the lower ranks under the relative poverty line, and outdated organizational schemes and job descriptions. Probably the interim solution can be found in some moderate enlargement of the differences between the ranks, but, for the time being, there are not any attempts being made in that direction.

References

Legislation

Local Government Act, *Official Gazette of the Republic of Macedonia*, 52/1995

Local Government Act, *Official Gazette of the Republic of Macedonia*, 5/2002

Law on the City of Skopje, *Official Gazette of the Republic of Macedonia*, 49/1996

Law on Communal Activities, *Official Gazette of the Republic of Macedonia*, 45/1997

Law on Organization and Operation of the State Administration, *Official Gazette of the Republic of Macedonia*, 58/2000

Law on State Civil Servants, *Official Gazette of the Republic of Macedonia*, 59/2000

Literature

Establishing Organizational Structures for Mutual Support, Networking and Local Administration Training for the Newly Established Municipalities in the Republic of Macedonia, Friedrich Ebert Stiftung, Skopje, 1999

Functioning of the Local Government System in the Republic of Macedonia, Institute for Sociological, Political and Juridical Research, Skopje, 2004

National Human Development Report 2001 Social Exclusion and Human Insecurity in FYR Macedonia, Skopje, 2002