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Serbia Scores a Weak Two in Professionalisation of Public Administration

Although public administration reform (PAR) is recognised as one of the three pillars of EU Enlargement, nonetheless, neither *acquis communautaire* nor separate negotiating chapter exists for this area. Therefore, the European Commission (EC) had to come up with a new mechanism for monitoring progress of candidate countries in this field. Thus, in 2014, the EC and SIGMA have developed [Principle of Public Administration](#) which encompass six areas¹. Within the document the key elements of good governance are included, i.e. the requests that countries should complete in order to become a successful EU member country one day. In 2015, SIGMA conducted a detailed analysis of public administration in all candidate countries and potential candidates for EU membership.

Recognizing the importance of expertise and characteristics of servants (qualifications, competencies, motivations and values) for establishing an effective administration, one of the areas in the Principles concerns public service and human resource management (HRM). The baseline values for Serbia in this area are presented in detail in the 2015 [Baseline measurement report](#) while the first [overview](#) was made a year after. Besides presenting the state of play, the mentioned reports pointed to key problems of civil service and contained measures which should be implemented with the goal of removing them. Accordingly, in the previous period Serbia began certain reform processes in this area. However, the new [Report](#), which SIGMA published in December of 2017, highlights the fact that some key problems are still present.

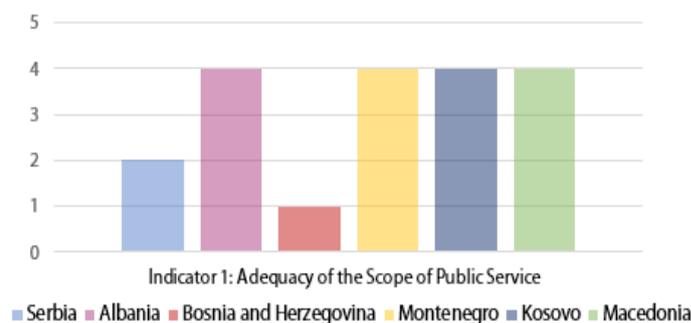
In this document we analyse Serbia's score for the Public Service and Human Resource Management and present scores of [other Western Balkan countries](#). The area of public service is analysed through seven principles which are recognised as necessary preconditions for the establishment of **professional public administration and merit-based civil service system**.

In the previous period Serbia started certain reform processes, but key problems, such as politicisation of administration and non-transparent procedures, still persist.

The Scope of Civil Service – Below Average Compared to Countries in the Region

The first principle implies that the scope of the civil service is adequate, clearly defined and that is applied in practice. The Report states that the legal framework in Serbia is defined and that the vertical, horizontal and material scope of the civil service is regulated. The Law on the Salary System in the Public Sector and the Law on the Police are listed as the key legal acts adopted in the previous period. However, even in the second year since the laws have been in place, their implementation in practice is still incomplete. Moreover, the Report indicates that there are some exceptions within the civil service system, such as specific regulations and different procedures for recruitment and selection in the Customs Administration (CA), the Tax Administration (TA) and the Administration for Execution of Criminal Sanctions (AECS). Material and vertical scope is also legally well defined. However, despite the fact that a distinction between professional senior civil servants and politically appointed officials is made, one of the biggest problems of the civil service continues to be politicisation. This is especially evident in the process of employment of senior civil servants, so that the Report states that more than two thirds of senior civil servants have not been appointed on a competitive basis. Based on a detailed analysis, and by following a defined SIGMA methodology for this principle, Serbia received a score of 2. Relative to other countries in the region, Serbia finds itself at the very bottom of the list. Bosnia and Herzegovina is the only country that scores lower, while other countries achieved a much better result.

Principle 1: The scope of public service

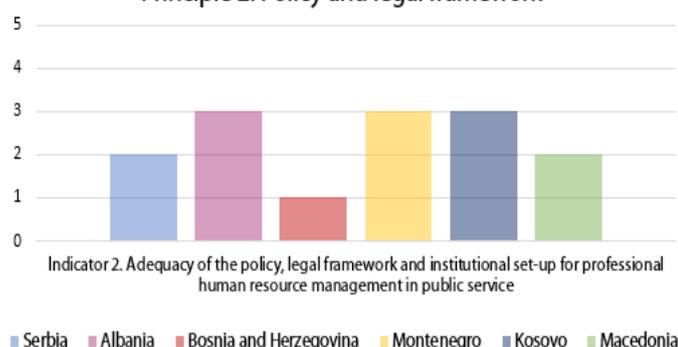


1. These areas are: strategic framework of PAR, policy development and co-ordination, public service and human resource management, accountability, service delivery and public financial management, public procurement and external audit.

Strategic and Legal Framework – No Progress in the Previous Period

The second principle in this area represents an established policy and legal frameworks for a professional and coherent public service that are applied in practice. Also, the principle implies an institutional structure that enables consistent and effective HRM practices across the public service. No progress has been made in this area in the previous period. An Action plan of PAR Strategy Implementation contains a number of measures and activities in this area, but its implementation is significantly delayed. However, it is worth mentioning that some activities, such as the adoption of the Law on the National Academy for Public Administration (NA), were implemented after the reporting period, so that as such they were not included in the Report. However, the key step which implies changes of the Civil Service Law (CSL), planned as far back as 2015, is still incomplete, due to lack of determination at the governmental level to establish a professional public administration. Furthermore, the Report highlights the lack of updating and reliability of HRM Information System Register (HRMIS), as well as insufficient usage of modern HRM tools at the level of individual institutions. Bearing the current situation in mind, the score for this indicator is 2, which ranks Serbia lower from the majority of other countries in the region.

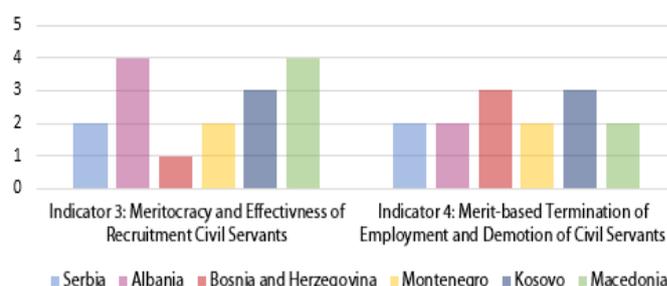
Principle 2: Policy and legal framework



Human Resource Management Based on Merit – Still Just a Proclaimed Goal

Third principle in this area foresees that recruitment of public servants is based on merit and equal treatment in all its phases, as well as explicitly set criteria for demotion and termination. Besides a relatively solid legal framework which gives the basis for establishing a system of selection, promotion, demotion and termination of employment that are based on merit, Serbia is still very far from its set goal as the shortcomings remain the same as in previous years. The key problems in this area, such as big discretionary power of Ministers in the selection process, including no requirement for the head of the institution to select the highest-ranked candidate and large number of servants who are hired on a temporary basis, are still present. An especially important problem represents the appointments of senior civil servants without a competition. Accordingly, the values of both indicators within this area equal 2, which is below the average of other countries.

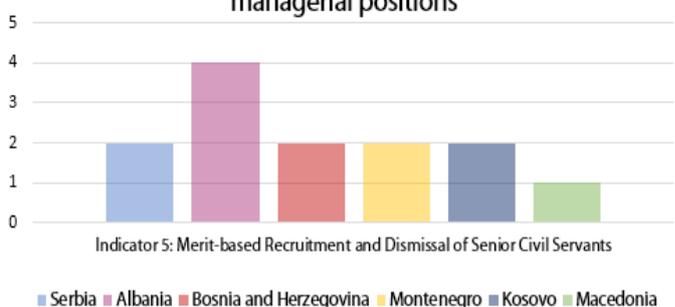
Principle 3: Recruitment, demotion and termination of public servants



(De)politicisation of Public Administration – Big Discretionary Powers of Minister

The following principle implies that there is neither direct nor indirect political influence on senior managerial posts in the public service. The analysis shows that despite the fact that a legal framework which guarantees equal opportunities and open and transparent competitions exists is one of the biggest problems in Serbia. A large number of senior civil servants, were not appointed in accordance with competition procedures, but rather through discretionary powers of Ministers. In the Report it is stated that only 26% of senior civil servants are appointed on a competitive basis, while as many as 60% of “acting heads” were appointed for a limited duration without a competitive procedure i.e. without a prior competency check. It should be noted, that this fact does not necessarily mean that this is the number of incompetent senior civil servants. Nevertheless, given the fact that these individuals were appointed by Ministers, this certainly suggests a high degree of political influence on managerial civil service posts. On the other hand, individuals who are “acting heads” are more exposed to political pressures because their contract can be terminated more easily at the request of the Minister, unlike those individuals who are appointed for a period of five years, on the basis of a competition. Furthermore, even when competitions for filling the post are conducted, the selection of the best candidates is not guaranteed. In fact, a Minister plays a key role as a person authorised to suggest the candidate to the Government, which formally appoints the servant. Furthermore, the Report states the problem of excessive political influence during the procedure of servant’s dismissal, thereby jeopardizing the transparency and fairness of the procedures. Considering all the above, the indicator score for this principle is 2.

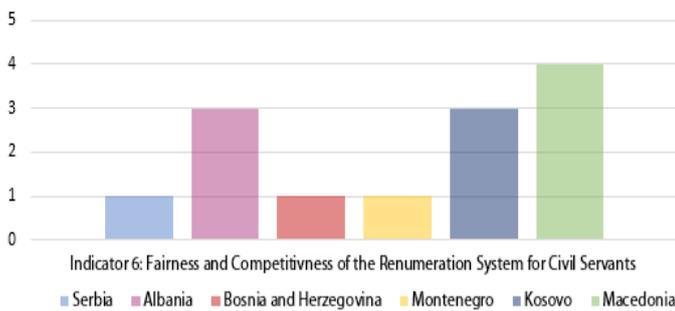
Principle 4: The political influence on senior managerial positions



The Wage System – Still Far from the Goal

The next principle in this area predicts the existence of a fair and transparent remuneration system based on job classifications. Despite the fact that the reform of the salary system was high on the agenda of priorities in the previous period, the real improvement in the salary system was absent. The Law on the Salary System in the Public Sector has been adopted, but the necessary bylaws have not been developed. Although the system is transparent and fair in large part, due to the failure to adopt a catalogue of job positions and specific laws in anticipated deadlines, full implementation of the new system was postponed for a year. Therefore, the evaluation of the system of salaries for civil servants is 1.

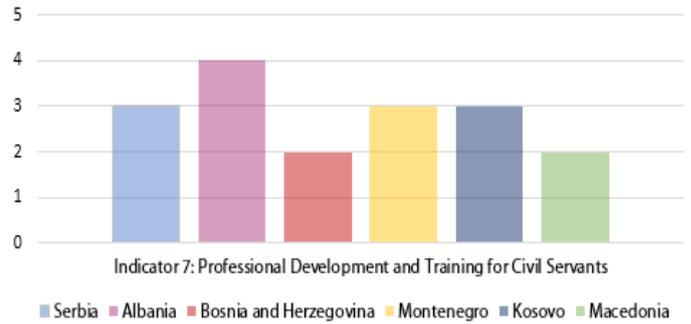
Principle 5: Fair and transparent remuneration system



Professional Development and Career Management - Form Over Substance

Sixth principle refers to the professional development of public servants and implies that regular training, fair performance appraisal, mobility and promotion based on objective and transparent criteria and merit are in place. The legal framework governing the evaluation, promotion and professional development of employees received no substantive objections, but like many others, the implementation of these HR instruments face difficulties in practice. So, the Report states that the performance appraisal system, despite solid legal framework, is inefficient and ineffective with high mark of inflation (almost 90% of civil servants obtained the highest grades). When it comes to professional development, one of the major problems identified in the Report concerns the division of responsibilities between authorities in this area – the Government HRM Service (HRMS) and Ministry of Public Administration and Local Self-Government (MPALSG). However, due to the fact that, in the meantime, a legal framework for the formation of the National Academy was established, a solution to this problem is expected. According to the results from the Report, during the previous year there has been an increase in the number of servants who participated in training courses organised by the HRM Service. However, a percent of servants who participate in professional development programs is still low. Having in mind positive and negative sides of the existing system, Serbia scored a 3 in this area, which is an average score for the region.

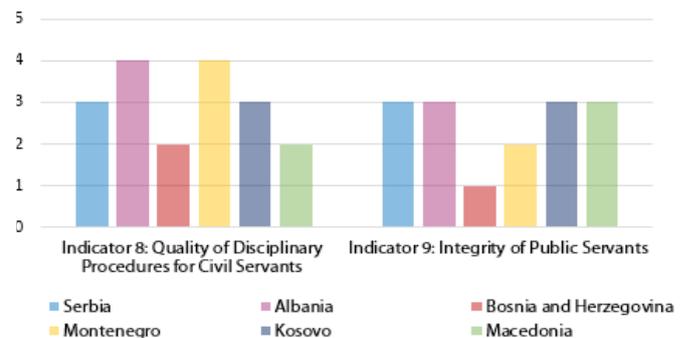
Principle 6: Professional Development



Ethics and Integrity – A High Level of Perception of Corruption

The last principle implies that there are measures for promoting integrity, preventing corruption as well as ensuring discipline in the public service. The legal framework contains a number of measures that promote ethics and strengthen the integrity of civil servants, such as duty to report any act of corruption within the institution or protection of whistle-blowers. Also, the legal framework contains a number of measures to prevent conflicts of interest of civil servants and officials, as well as disciplinary procedures. Additionally, the Report also states that the High Civil Service Council has adopted a Code of Conduct whose application, however, has limitations in practice. Moreover, the Anti-Corruption Agency (ACA) should have broader powers, besides the existing jurisdiction, such as initiatives and recommendations for dismissal of servants and prevention of conflict of interest and corruption in public administration. The fact that Serbia is on the 72nd place (out of 176 countries), according to the Transparency International’s Corruption Perception Index - research that measures perception of corruption in the public sector, shows that there is room for improvement in the fields of ethics and integrity in public administration. According to the indicators for measurement of this principle, Serbia received a score of 3, which is at the average level of other countries.

Principle 7: Integrity and Corruption



2. The findings of the research are available through the following link: https://www.transparency.org/news/feature/corruption_perceptions_index_2016

What to Do and How to Proceed After Missed Opportunities?

Analysis shows that in the previous period professionalisation and depoliticisation of public administration was missing. The impression is that Serbia has even made steps in the opposite direction, especially when it comes to senior civil service posts. The results show that Serbia is not in a desirable position compared to other countries of the Western Balkans. In fact, in some standards in the field of HRM, Serbia is on the level of other countries, while in some areas it is below that average. Nevertheless, Serbia is certainly far from Albania, who is the leader in the region when it comes to PAR.

In order to make progress in the upcoming period in the field of professionalisation of the civil service system and improvement of the HRM system, the Report lists a set of key recommendations that Serbia should undertake. In a short term it is necessary to ensure consistent implementation of the civil service legislation and enhance and define the roles and competences of the MPALSG and HRMS. Additionally, it is necessary to ensure that all public authorities regularly update information in the HRMIS as well as to ensure the systemic implementation of merit-based recruitment. The Administrative Inspection (AI) should ensure proper implementation of the CSL regarding acting senior civil servants. Furthermore, in the upcoming period it is essential to ensure the application of the Law on the Police by converting the civil service positions within the Ministry of Interior that will be fully subjected to the CSL. In addition, it is necessary to prepare amendments to the CSL that would improve the recruitment application process and reduce the room for political influence. Finally, implementation of the comprehensive reform of the salary system in practice and changes of the Law on ACA are also listed as the key short-term recommendations.

When it comes to medium-term recommendations identified in the Report, it is necessary to consider extending the application of uniform and unique procedures for recruitment and selection in all state administration bodies including the staff of the TA, the CA and the AECS. Furthermore, the Government should ensure that the HRMIS is linked to the new salary registry and other relevant registries and the capacity of the AI to monitor implementation of the CSL has to be increased.

The key steps in the upcoming period are related to improvement of the legal framework and ensuring its implementation in practice, which is often the missing ingredient in Serbia.

Additionally, the mid-term recommendations include a clear delineation of relevant institutions between the domain of professional development of civil servants as well as ensuring the application of individual performance appraisals to salaries, promotions, transfers and terminations of employment. With the implementation of these recommendations, Serbia will be closer to modern successful administrations which are based on a system of competence and merit. Having competent civil servants is a prerequisite for having a citizen-friendly administration, i.e. an administration that is able to respond to a new role which it needs to play in a modern state - to be of service to its citizens. Therefore, it is essential that in the process of European integration and with the technical support provided by SIGMA and civil society organizations, experts and civil servants themselves exercise constant pressure on decision-makers to implement complete professionalisation and depoliticization of the system.

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Profound understanding of EU policies and the accession process, the workings of the Serbian administration, as well as strong social capital combine to create a think-tank capable of not

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