

BETWEEN DISCRETION AND PROFESSIONALISM:

Merit-based Recruitment Policy in the Context of Serbia's Accession Negotiations with the EU

November 2014.

Brief Overview of the Study

Although not even one year has passed since EU accession negotiations with Serbia formally began, human resource problems in Serbia's state administration are becoming an increasingly important factor threatening to compromise the quality and dynamic of the process. Significant staff turnover, an inadequate number of experts for specialized areas, the outflow of young civil servants and the lack of an essential understanding of European integration related affairs by managers at the political level, are just a few of the problems. Another reason for greater dedication to this issue is the understanding, upon which the EU insists, that public administration reform is closely interlinked to the other pillars of the enlargement policy – rule of law and economic governance. The goal of this study is to identify the key shortcomings of the Serbian civil servant system from the angle of EU accession process needs, with a particular focus on the recruitment system. The study also aims to instigate interest and further efforts towards the implementation of civil service system reforms in the context of Serbia's EU accession. As the most visible aspect of the civil service system, the recruitment system has the greatest impact on perceptions about corruption, which attests to the importance of treating this element of human resources management particularly seriously and thoroughly in the framework of ongoing public administration reforms. Noting the limits of the implementation of a legal framework in the area of recruitment policy, the study develops three possible options for improving the quality of human resources in state administration.

Main Findings:

- The issue of EU accession negotiations and European integration is not only the concern of individual ministerial units and particular organizations, but rather the entire state administration.
- Accession negotiations related tasks should be seen as an impetus for sustainable public administration reforms, which must remain the goal, regardless of the outcome of the negotiations process.
- Recruitment in state administration is not merit-based, due to the unwillingness of managers and inadequate legal regulations.
- Selection procedure rules discourage skilled external candidates from applying for positions in state administration.
- The fact that the civil service system is not integrated in Serbia further impedes the application of meritocratic principles in the recruitment process.

- In order to improve the quality of human resources in the state administration, it is necessary, among other things, to design a centralised competition system for entry-level positions; improve and simplify the procedure for recruiting external candidates for managerial positions; (re)integrate the recruitment system, and apply the same legal regulations throughout the entire central administration.

I. Introduction

A New Focus on Public Administration Reform

Although the need for a functioning administration and human resources capable of meeting reform and integration process challenges is the same old story, that has been retold in Serbia for almost a decade and a half, in the context of EU accession negotiations this story gains a whole new dimension. Negotiations, followed by EU membership, raise the stakes to a new level. The capability of the administration to meet membership requirements and increasingly shorter deadlines for the preparation of complex documents, as well as to respect given promises, is no longer a matter of choice but of necessity. Even the outcome of accession negotiations will, above all, depend on the promptness of the Serbian administration to adapt to this new playing level, set by the European Commission in its role as a proactive mediator.

Besides this, assuming the rights and obligations of EU membership implies that candidate states adapt to the administrative and legal system and administrative practices of EU Member States - the European Administrative Space. The national administrations of Member States are becoming increasingly interdependent, which is a result of several factors, such as the volume of economic activity on the single market, the growing number of common policies at the EU level, regular and continuous contact between civil servants from different Member States and the impact of the judicial practices of the European Court of Justice.¹

The EU Enlargement Strategy for 2014-2015 places public administration reform (PAR)², along with the rule of law and economic governance, at the centre of the enlargement process; progress in these interlinked areas will determine when candidate countries will be ready to join the EU.³ This emphasis on the link between these three pillars has already been reinforced in practice: in the Screening Report on Chapter 23, which covers the rule of law, two of the recommendations make particular reference to the need to depoliticise the public administration, so as to strengthen its integrity and transparency.⁴

In spite of this, year after year in the Progress Reports of the European Commission (EC), Serbia is criticised on the account of the administrative capacities⁵ of its state administration: in the last report from 2014, the need to improve administrative capacities was underlined in the analysis of the current situation for 16 negotiation chapters (while in the previous year this was the case for 12 chapters) – from the areas of energy, economy, transport, agriculture, justice, to internal affairs, finance, science, etc. The issue of underdeveloped administrative capacities is also being increasingly emphasized by national state officials and by renowned experts.⁶

The Mistakes of Others as an Incentive for Early Reform - Experience from Previous Enlargements

The EU's increased focus on public administration reform and on closely linking success in this area to EU accession prospects is a consequence of the negative experiences, with respect to public administration reform

¹ OECD (1999), "European Principles for Public Administration," SIGMA Papers, No. 27, OECD Publishing, p. 6. <<http://dx.doi.org/10.1787/5kml60zwd7h-en>>

² The concept of public administration reform is broader than the concept of state administration reform, because besides the central administration (ministries and their organs, special organizations and Government services) it focuses on the wider system of institutions that are vested with public authority by law, which includes public and regulatory agencies, independent bodies, and to some extent public services. Up until 2014, the term "public administration" was translated in Serbian as "state administration," which is inaccurate. The concept of public administration, however, is still not legally regulated in Serbia.

³ Enlargement Strategy, p. 4, <<http://ec.europa.eu/>

<[enlargement/pdf/key_documents/2014/20141008-strategy-paper_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-strategy-paper_en.pdf)>

⁴ Screening Report, p. 30 and 31, <http://ec.europa.eu/enlargement/pdf/key_documents/2014/140729-screening-report-chapter-23-serbia.pdf>

⁵ The term "administrative capacities" does not have a single definition. In EC jargon and in the context of EU accession, it can be defined as the set of administrative structures and systems, human resources and management skills necessary for the adoption and implementation of the EU law. See: A. Dimitrova, "Governance by Enlargement? The case of the administrative capacity requirement in the EU's Eastern enlargement," 2002.

⁶ See, for example, Euractiv, <<http://www.euractiv.rs/srbija-i-eu/7229-iskustvo-litvanije-kao-ohrabrenje-na-putu-ka-eu>>

sustainability, of countries who became members in 2004 and later.

Research conducted following the enlargement to Central and Eastern Europe has shown that following their accession, new Member States lost motivation for implementing sustainable civil service reforms and that the EU did not have any instruments for exerting influence in this regard.⁷ On the contrary, the implementation of reforms in new Member States depended solely on the political will of national politicians to address this issue.⁸ In fact, the European Union lacked the capacity to prevent the politicisation of the civil service system of candidate countries.⁹ At the same time, civil servants in most of the countries that joined the EU in 2004 and 2007 have shown a lack of knowledge and expertise in EU related affairs, particularly in terms of the policymaking process at the European level and language skills.¹⁰

The experiences of Member States who joined the EU in the last 10 years are instructive in several respects. Indeed, it turned out that candidate countries who implemented civil service system reforms in the early stages of their accession had greater success in comparison to those who implemented reforms at a later stage or partially, given that sustainable reforms require time and the adoption of a new “culture.”¹¹ Lithuania and Estonia, the only new Member States to meet European standards in terms of recruitment and promotion practices, are a distinct example.¹² Even today, these two countries take the lead in terms of absorption rates of EU structural funds (70.95% in Estonia; 70.83% in Lithuania in 2013),¹³ which is a good indicator of the capacities of their administrations, keeping in mind the complexity and the skills needed to manage these funds.

It is also important to note that states who recently joined the EU have failed to put in place appropriate structures for the integrated management of their civil service systems, in terms of independent offices/agencies/institutions, which are crucial for the sustainable professionalisation of the state apparatus. These structures require continuity and political support at the highest-level, as well as strong human resources within. This proved to be an impossible task, since in most of these countries the Prime Ministers had other priorities.¹⁴

The European integration process has had a positive impact on improving the knowledge and skills of civil servants and on “rejuvenating” the public administrations of new Member States. However, it has also further reinforced arguments about the difficulties of finding the right balance between the need for civil service system stability on one hand, and for flexibility and adaptability, inflicted by the need to respond quickly to reform processes on the other hand.¹⁵ Finding a balance between stability, which depoliticisation encourages, and the flexibility of the civil service system has proved to be a continuous challenge even for “old” Member States, and it is especially pronounced in societies under extensive reform processes, such as EU accession candidate countries.

Objective and Research Approach

Regardless of the needs and requirements of the accession process itself, it is in Serbia’s interest to strengthen the knowledge and skills of its civil servants and to create a modern civil service system which will sustain even after eventual EU membership. In this case, Serbia would be able to fully enjoy the rights and obligations of EU membership; otherwise, the costs of EU membership could be higher than the benefits. It is, therefore, important to seriously

⁷ Meyer-Sahling, J. (2009), “Sustainability of Civil Service Reforms in Central and Eastern Europe Five Years After EU Accession,” SIGMA Papers, No. 44, OECD Publishing, p. 9. <<http://dx.doi.org/10.1787/5kml60pvjmbq-e>>

⁸ Dimitrova, A. (2007), “Institutionalisation of Imported Rules in the European Union’s New Member States: Bringing Politics back into the Research Agenda,” EUI Florence.

⁹ Meyer-Sahling, J. (2006), “De-Politicisation Through the Backdoor? EU Integration, Administrative Reform and Party Patronage in East Central Europe,” p. 24.

¹⁰ Gärtner, L., Hörner, J. and Obholzer, L. (2011), “National Coordination of EU Policy: A Comparative Study of

the Twelve “New” Member States,” *Journal of Contemporary European Research*, Volume 7, Issue 1, pp. 77-100, p. 4.

<<http://www.jcer.net/ojs/index.php/jcer/article/view/275/261>>

¹¹ SIGMA Working Paper, “Can Reforms Last? The European Union’s 5th Enlargement and Future Policy Orientations,” p. 4.

¹² Meyer-Sahling, J. (2009), *op.cit.*, p. 17-57.

¹³ Inside Europe, “Absorption rates - Structural and Cohesion Funds - EU-27,” available at <<http://www.insideurope.eu/node/403#sthash.56c9J2xa.dpuf>>

¹⁴ *Ibid.*, p. 5.

¹⁵ *Ibid.*, p. 6.

approach the issue of civil service system professionalisation during the accession process and of civil service system quality in general, and to use the EU's positive conditionality in relation to this issue as an incentive for the continuous improvement of the system.

The goal of this study is to identify the key shortcomings of Serbia's civil service system, from the angle of EU accession process needs, with a particular focus on the recruitment system. The study also aims to instigate interest and further efforts towards the implementation of civil service system reforms in the context of Serbia's EU accession. The assumption underlying this analysis, which is based on the literature in this field, is that the knowledge and skills required for the upcoming reform processes and for the positive outcome of the EU accession process could be significantly backed by an effective civil servant recruitment policy.¹⁶

The study, therefore, first and foremost, provides an overview of the current situation and problems in terms of the quality of human resources. Data collection was focused on the economic, financial and trade sectors, as well as on public administration as a horizontal sector, keeping in mind the significance of these areas during the pre-accession phase and accession negotiations. The analysis then focuses on the civil service recruitment system and aims to identify the shortcomings from the perspective of the principles of public administration as defined by SIGMA OECD.¹⁷ Based on the situation analysis, possible options are proposed for improving the recruitment system as a means of strengthening the administrative capacities of the public administration, while keeping in mind their feasibility and evaluating their appropriateness, with respect to the current situation in Serbia. Finally, arguments are advanced and a detailed "roadmap" is developed

for the implementation of the option considered most appropriate.

Establishing a merit-based civil service system,¹⁸ in addition to a recruitment system, includes several important elements, and above all, a staff retention policy, a professional training policy, as well as a credible performance appraisal and promotion system. Although it is very difficult to separate these interlinked elements of human resources management, given the scope and the timeframe for executing this study, it focuses particularly on the recruitment system. The reason for this focus on recruitment is the fact that a transparent merit-based recruitment policy is the most important basis for creating a professional civil service system.¹⁹ Moreover, as the most publically visible aspect of the civil service system, recruitment has the largest impact on perceptions about corruption, which illustrates the need to treat this aspect of human resources management particularly seriously and thoroughly. Besides this, in the EC's Progress Report for 2014, the lack of recruitment process transparency and public administration politicization were highlighted as areas of particular concern, requiring substantial reform.²⁰

This analysis is based on a review of available sources in the areas of civil service system and public administration reform (laws, strategies and secondary comparative practice studies), as well as on ten interviews conducted directly with civil servants in Serbia in managerial positions, junior advisors who are profoundly involved in the negotiation process, former civil servants who use to work in managerial positions and who currently work in the private sector and OECD/SIGMA initiative experts, as well as civil servants from the French Republic.

¹⁶ See, for example: Meyer Sahling, SIGMA Paper. No. 48, p. 33; Meyer-Sahling, SIGMA Paper No. 44, pp. 12-13; SIGMA Working Paper, "Can Reforms Last? The European Union's 5th Enlargement and Future Policy Orientations," p. 11.

¹⁷ SIGMA (Support for Improvement in Governance and Management) is a joint initiative of the EU and OECD with the aim of providing support for strengthening the state administrative capacities and the administrative systems of candidate countries and potential candidates for EU membership, as well as EU Neighbourhood Policy countries.

¹⁸ This system implies the fulfilment of three principles: sustainability and independence from political changes; political neutrality; and equity during recruitment and throughout the career. See: Guy Van-Biesen, "Overview of Civil Service Selection Procedures in EU Context," OECD/SIGMA, 2006, p. 2.

¹⁹ SIGMA, "The Principles of Public Administration," November 2014, p. 49.

²⁰ Progress Report, p. 9-10, available at: <http://ec.europa.eu/enlargement/pdf/key_documents/2014/20140108-serbia-progress-report_en.pdf>

II. The Quality of Serbia's Civil Service System Today – A Break rather than an Engine for European Integration²¹

If the experiences of Central and Eastern European countries, described above, are not persuasive enough of the importance of implementing civil service system reforms, the challenges that Serbia is currently facing support the argument that a reform of the civil service system is an unavoidable aspect of the accession process.

The facts indicate that, in the case of Serbia and the current wave of enlargement, it will be necessary to approach the question of civil service system reform and of building the required human resources more thoroughly. The accession process itself, unlike the previous ones, is more complex and demanding, among other things, because the focus on the transposition of EU law into domestic legislation is much stronger than before. Apart from this, new accession process phases and procedures have been introduced, which did not exist in the EU's enlargement policy towards CEE countries (screening, action plan development, benchmarks, etc.).

Research conducted within the framework of this analysis has shown that the EU's new enlargement approach has had, already in this early phase of the negotiation process, a direct impact on Serbia's public administration. "It is very difficult to distinguish regular work from that which is European integration related."²² Indeed, while in the previous phases of European integration (during the association process)²³ it was primarily the sectors dealing with EU related affairs that were involved, the accession process has imposed the involvement of all the organisational units in the ministries and all special organisations in negotiations and European integration related affairs. This is a big difference in comparison to the 2004 and

2007 enlargements, when almost only the sectors dealing with EU related affairs within the ministries were involved in the negotiations process. This practice proved to be ineffective since it had a negative impact on the performance of new Member States following their accession. The capacities of EU sectors were not sufficiently developed to cope with the volume of work resulting from membership; therefore, it took several years for the entire ministry to get acquainted with EU rules and procedures and to acquire knowledge of EU law.²⁴

Another positive aspect of the duration and complexity of Serbia's EU integration process is the continuous improvement of the knowledge and skills of civil servants. Namely, progress is observed from year to year, resulting from learning from experience. The numerous trainings provided by the European Integration Office and the Human Resource Management Service (SUK), as well as trainings within the framework of international projects, have contributed to this. In addition, all the interviewees from the state administration agreed that the analytical examination process of the alignment with the *acquis* (i.e. screening) has had a very positive effect on determining the current state in terms of the knowledge and skills of civil servants, as well as on the aspects requiring further improvements.

It is important to note that the observations above apply exclusively to ministries that have not had a high staff turnover in the last couple of years. Unfortunately, the study has confirmed that there is a high staff turnover rate, most often resulting from the merger/separation of different departments within the state administration, or from the outflow of civil servants to the private or non-governmental sector, and that this has a negative impact on the preparedness of ministries to deal with current and future membership negotiations related affairs.

²¹ Unless otherwise indicated, this section is based on information obtained through interviews with Serbian Government officials. The list of institutions that participated in the interviews is available on page 19.

²² Interview with civil servants from the Ministry of Finance, 6 November 2014.

²³ The association process entails negotiations, the conclusion and the implementation of the Stabilisation and

Association Agreement (SAA), which is a precondition for starting the accession process, which involves the granting of candidate status, membership negotiations, and the signing of the Treaty of Accession.

²⁴ See: M. Lazarević, S. Marić and A. Orza, "Policy Making and EU Accession Negotiations: Getting Results for Serbia," European Policy Centre, GIZ, December 2013, p.104-105.

The interviewees also pointed out the fact that agriculture, environment and the programming and management of Instrument for Pre-Accession Assistance (IPA) projects are the three main areas that lack qualified staff and that urgently need improved human resources. While conducting IPA fund related activities requires practice and skills for which the private sector offers more attractive conditions than the state administration, the problem with agriculture and environment is that there are very few experts specialised in these areas in Serbia. Since the state does not have an active policy for building human capacity in these specialised areas, it is expected that this will become evident at the moment when it will be necessary for Serbia to formulate a negotiation position in these areas. It should be recalled that Serbia has defined agriculture, which makes up over 17% of its GDP,²⁵ as an area of particular strategic interest.

The tendency of young civil servants to leave the state administration is particularly troubling. It is precisely these civil servants, most often Junior Advisors or Advisors, who are largely involved in the accession process (for example, as Deputy Secretaries of Negotiating Groups). This fact is especially important taking into consideration that a lot is invested into these individuals through various professional trainings and that they have, through their work, demonstrated potential for managing accession process related affairs. However, poor financial conditions and career advancement prospects are the most frequent reasons why they leave, despite the fact that they see their work as interesting and dynamic.

The “blame” for the mentioned problems in terms of human resources quality for conducting European related affairs can to a large degree be attributed to insufficient knowledge and understanding of the essence of European integration, on the part of Managers at the political level, mainly State Secretaries in Ministries. In addition, State Secretaries, Assistant Ministers and Ministry Secretaries are often

not very interested in trainings being offered to them. This results in poor staff selection, that is, a lack of support from Managers for adequate job systematisation, new staff recruitment and merit-based remuneration. The interviewees confirmed that Managers often ignore requests when it is necessary to create new positions or fill existing ones with staff specialised in European affairs, or they undervalue the work of hardworking civil servants (for example, not taking the initiative to compensate overtime, which is feasible legally). Keeping in mind that State Secretaries are, as a general rule, the Presidents of the Negotiating Groups, this can impact the preparedness and the quality of the work of the group itself.

III. The Civil Service Recruitment System: between Formal and Real

SIGMA²⁶ has established new public administration principles which contain the main requirements countries are expected to follow during the process of European integration. Regarding the civil service system, it states that the civil servant recruitment and selection process, whether it is by internal or open competition and regardless of the category/class of civil servants, must be based on merit and equal treatment, which among other things implies a clear legal framework and the appointment of a selection committee free from political interference and composed of competent members.²⁷ The principles also require the establishment of mechanisms that will prevent direct and indirect political influence in terms of the recruitment of civil servants for managerial positions.²⁸

The purpose of the principles mentioned above is to ensure that the European Union has a framework for monitoring the process made by countries in adopting good public administration practices. They also serve as a guideline for candidate countries in terms of designing public administration reform. If tomorrow these

²⁵ Including the food industry, Chamber of Commerce and Industry of Serbia, statistics available at <<http://www.pks.rs/PrivredaSrbije.aspx?id=13&p=2>>

²⁶ SIGMA (Support for Improvement in Governance and Management) is a joint initiative of the EU and OECD with the aim of providing support for strengthening the state administrative capacities and the administrative

systems of candidate countries and potential candidates for EU membership, as well as EU Neighbourhood Policy countries.

²⁷ SIGMA, “Principles of Public Administration,” November 2014, p. 49.

²⁸ *Ibid.*, p. 51.

principles were tested, Serbia, it seems, would not be given a passing grade. The discretion of Managers in making decisions concerning human resources management, and the encouragement of negative selection, make it difficult to attract the best candidates to the civil service.

In fact, the first and most visible aspect of the problem, which is linked to the other problems in terms of the quality of human resources for conducting European integration related affairs, largely lies in the characteristics of the public administration recruitment system. At the same time, attracting and recruiting qualified candidates to the state administration is crucial in light of the increasingly urgent need to strengthen the capacities of the state administration with respect to EU accession related affairs, as this can offer options for improving the current situation. Therefore, an analysis of the recruitment system, in the framework of the effort to establish a merit-based civil service system in the context of ongoing public administration reforms in Serbia, represents a starting point for also examining the other interlinked human resources aspects in the state administration – namely performance appraisal, promotion, remuneration and staff retention.

An analysis of the relevant laws regulating the civil service system in Serbia shows that this system is a hybrid of a career system²⁹ and a position-based system,³⁰ but with very pronounced elements of the latter. In 2005, when the foundations of the Serbian civil service system were laid, the system embodied important elements of the career system. However, when the Law on Civil Servants was amended in 2007

and in 2009, it predominantly became a position-based system.

Both systems have their own advantages and disadvantages, which is why European countries have a tendency to apply features of both models in such a way that best suits the administrative and political culture of their countries.³¹ The advantage of a “pure” career system is that it promotes professionalisation, the creation of a common administrative culture and values, and it is less susceptible to political interference; the disadvantages are that it does not allow the narrow specialisation of civil servants in a particular field and it promotes risk prevention rather than measuring performance. On the other hand, a typical position-based system can be more easily adapted to the specific needs of the position and it is results focused, while its disadvantages are a greater vulnerability to political interference and arbitrary favouring of certain candidates during the recruitment process.³² In any case, although there is no unique and straightforward approach to explaining the difference between these two systems in theory,³³ this dichotomy is a useful basis for assessing the evolution of the civil service system through comparative practice, which today in modern states is a hybrid of the career and position-system.

Namely, under the circumstances of public administration rationalisation in light of the economic crisis and efforts to enhance the performance of the overall public administration sector, European countries strive to find a balance

²⁹ A career-based system is characterised by permanent employment in state administration at the beginning of a career, while managerial civil servant positions are open only to existing civil servants. Throughout their career, civil servants are obligated to move to different sectors of the state administration, meaning that there is movement from post to post. The positions are filled by candidates who have the best competition examination results and knowledge acquired through formal education and candidate motivation is first and foremost valued.

³⁰ The position-system implies that the candidate who is best-suited for the position to be filled is hired, without the possibility of moving to a different position. During

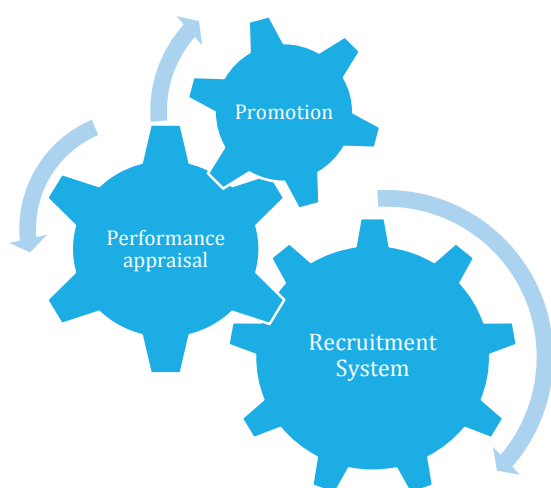
the recruitment process, the skills and previous professional experience of the candidate in relation to the position are highly valued. See: Francisco Cardona, “Structural Elements for Recruitment in European Civil Service Systems,” OECD/SIGMA, 1998.

³¹ OECD/SIGMA, “Overview of Civil Service Selection Procedures in EU Context,” p. 4.

³² Knut Rexed, “Prednosti i mane karijernog sistema i sistema radnog mest,” Belgrade, 2007.

³³ Compare Francisco Cardona, *op.cit* and OECD (2009), “Central Government Recruitment Systems,” in *Government at a Glance 2009*, OECD Publishing. <<http://dx.doi.org/10.1787/9789264061651-18-en>>

between civil service system stability and flexibility. France, for example, as a country which has for a long time been a prototype of a classic career-based model, is seeking to respond to needs for major system adjustments by introducing new recruitment system approaches: on the one hand, through the introduction of methods for testing not only academic knowledge, but also the capabilities and practical skills of the candidates; and in parallel, through further investment in ensuring the competence and integrity of the selection committees in the recruitment process.³⁴



However, if the civil service recruitment process in Serbia is assessed, it can be concluded that the civil service system in practice today represents a mixture of poor features of the career-based and position-based systems.

Intransparent Recruitment

Merit-based civil service recruitment is neither ensured legally nor through the implementation of regulations. This problem is also present in the recruitment for appointed positions.³⁵ Managers have important discretionary powers with respect to selecting a candidate,

The transfer of civil servants by consent represents a regressive recruitment method, which is a significant departure from meritocratic principles requiring professional management of human resources and separation from political interference.

whereas it is rather common to bypass the prescribed open competition system.

According to OECD/SIGMA results, 60% of senior civil servants positions were filled through discretionary

appointments in 2013.³⁶ This means that the Government, at the proposal of ministers, appoints civil servants, which is contrary to the provisions of the Law on Civil Servants, which stipulates recruitment through competition. The law was amended in September 2014, now allowing the appointments of acting Managers for a period no longer than 6 months, whereby this candidate must meet all the requirements for the position he/she is being appointed to.³⁷ Although this approach was adopted as a temporary solution until the introduction of a much more meritocratic system, its flaw is the fact that it allows the appointment of candidates who are not already employed in the civil service but who may have a huge advantage during the selection process, given that they would have already familiarised themselves with the job and would thus be considered as “desirable candidates.”

An aggravating circumstance in terms of the depoliticisation of managerial positions in state administration is that the classification of positions to be filled through a merit-based approach is very high. Taking into account the weak responsibility and accountability lines, as well as the autonomy of certain individual organisations within the Serbian state administration system possessing a policymaking role and acting as “small ministries,”³⁸ the legitimacy of the legal provision allowing the heads of these organisations to be civil servants can be brought into question. The highly political role of these organizations often results in the politicalisation of managerial positions, despite the legal regulations stipulating their depoliticisation. As such, it is questionable whether, in a

³⁴ Espagno Delphine, “Le droit français des concours entre permanence et evolution,” *Revue française d'administration publique*, 2012/2n° 142, p. 369-381.

³⁵ Appointed positions are the highest level managerial positions. Civil servants appointed to positions by the Government include Assistant Minister, Secretary of the Ministry, Director of the authority within the Ministry, Director of special organisation, Director of Government

Services, Deputy and Assistant Director of Government Services. Article 32, Law on Civil Servants.

³⁶ SIGMA Assessment Report Serbia 2014, p. 17.

³⁷ Article 67a, Law on Civil Servants, available at: <http://www.paragraf.rs/propisi/za-kon_o_drzavnim_sluzbenicima.html>

³⁸ Based on the findings of the author.

system like this, these organisations should be led by civil servants, when it is clear that in practice their leaders come from political ranks. This devalues the recruitment system since the competition procedure for civil servants is being bypassed.

The Law on Civil Servants also contains provisions that encourage managerial discretion in terms of filling executive posts. When the law was amended in 2009, the obligation to hold internal competitions, which up until then enabled the granting of preference to candidates already working in civil service when filling vacant positions, was annulled. The provisions currently in force, which prescribe a series of procedures for filling vacant positions (transfer from the same state organ, reassignment from another state organ, internal competition) represent possibilities rather than obligations.³⁹ The amendments to the Law in 2009 and the reintroduction of procedures for transfer by consent between managers have set the competition procedure for filling vacancies in the background, in terms of it being the basis for creating mobility between state organs. The transfer of civil servants by consent represents a regressive recruitment method, that existed in the “old” Law on Employment in State Organs,⁴⁰ which is entirely based on the discretionary political decisions of ministries and other managers (albeit the requirement of the consent of the civil servant in question) and is a significant departure from meritocratic principles which require professional management of human resources and prevention of political interference.

The Law does not, however, even in its initial version, separate the fate of civil servants from political interference. Namely, even if the competition procedure is managed by a professional, the final decision regarding the selection of a candidate, based on the selection

Bearing in mind the controversial recruitment methods, it can be concluded that the main motive for strengthening the position-based system is to actually leave open the possibility of politically based staff recruitment in the state administration at the expense of meritocratic principles.

list compiled by the selection committee, is made and signed by the manager of the institution, usually a political figure. Other aspects of the recruitment procedure are also susceptible to political influence, including the formation of the selection committee. Therefore, when the manager decides to fill the vacant post, he must bring a decision on filling the vacancy and give a statement regarding the recruitment method. Since this decision, as an act, is not a publically available document, it is difficult to gain insight into reasons for different decisions concerning recruitment methods.

Whereas, prior to the amendments in 2009, it could be said that the system encouraged career-based principles, since preference in filling vacancies was given to candidates who were already civil servants as regulated by the obligation to hold internal competition; ever since the mentioned amendments have been made, the system has become primarily position-based. This practice, in itself, does not have to be bad, especially in transitional societies and circumstances which require finding fast solutions and competent staff to fill important posts. However, judging from the controversial recruitment methods described above, it can be concluded that the main motive for strengthening the position-based system is actually to leave open the possibility of politically based staff recruitment in the state administration at the expense of meritocratic principles.

The Law on Civil Servants is equally flawed as it allows fixed-term employment of civil servants without any formal procedures for testing the knowledge and capacities needed for the given post. Namely, while internal and open competition

procedures regulations apply to civil servants employed for a non-fixed term,⁴¹ fixed-term

³⁹ See Articles 49, 49a and 49b, Law on Civil Servants.

⁴⁰ “Official Gazette of the Republic of Serbia,” no. 48/91, 66/91, 44/98 – state law*, 49/99 – state law**, 34/2001 – state law***, 39/2002, 49/2005 – decision of the Constitutional Court of the Republic of Serbia (USRS), 79/2005 – state law, 81/2005 – state law correction, 83/2005 – state law correction 23/2013 – decision of Constitutional Court.

⁴¹ Article 62 of the Law stipulates that civil servants are usually hired for a non-fixed term. Fixed-term employment is used for temporarily replacing absent civil servants for a maximum of 6 months due to an increased workload, for posts within the Cabinet during the mandate of the civil servant or for training entry-level civil servants. (Article 63).

employees, with the exception of trainees, are hired without any competition procedure.⁴² Moreover, although the legal regulations stipulate that the number of staff employed on a fixed-term basis or on any other contractual basis cannot exceed 10% of the total number of non-fixed term employees,⁴³ this regulation is often violated in practice. Data on the number of employees in the state administration indicates that more than 10% of employees are hired on a fixed-term, or on some other basis.⁴⁴ This is troubling because it indicates that, apart from the insufficiently transparent selection procedure of civil servants, one more “layer” of employees is performing state administration tasks, while they are not bound by civil servant rights and obligations and have not been selected on a merit-basis.

The next problem undermining the civil service system is the intransparent and insufficiently equitable manner in which new civil servants are recruited to executive positions⁴⁵, which is best illustrated by the *de facto* privileged status of those employed in the state administration for a fixed term. Namely, if civil servants employed for a fixed-term wish to be employed for a non-fixed term, they must undergo a public competition procedure intended for non-civil servant candidates.⁴⁶ However, it is widespread in practice that fixed-term employees are not being subjected to all the intended competition steps; instead, they directly advance to the interview phase. Given that they are already familiar with the post and the employer, the entire public competition procedure is practically simulated, so as to hire candidates who are already employed for a fixed term in the state administration. Besides this, one of the members of the selection committee is usually a manager who is already familiar with the work and knowledge of the candidate in question, thus the competition process is organised

simply as a formality. In other words, candidates who are hired for a fixed term in the state administration in practice have significant advantages in terms of public competition in comparison to the rest of the candidates.

Imprecise Provisions Regarding the Selection Procedure

The Law on Civil Servants and the corresponding by-laws are equally very unclear when it comes to the required qualifications and competences of the selection committee in the selection procedure.⁴⁷ The selection committee should in fact be composed of members with adequate experience and expertise, which will allow them to assess the different skills and competences of the candidates.⁴⁸ However, the inexistence of clear criteria for the selection of committee members leaves significant room for discretion in the selection process and when justifying the choice of a certain candidate.

The inexistence of the competency system necessary for executing various tasks equally has a negative effect on attaining the mere aim of the competition, i.e. choosing the most suitable candidate for a certain post. Actually, the procedure is formalised to the extent that it substantially consists of satisfying the minimal criteria, such as educational background and the length of professional experience in the field (even if it is not relevant for the post in question), since these criteria are incontestably verifiable. The system of objective verification of the necessary skills is not established in substance, while the practice of enclosing various certificates without checking their credibility can lead to the possibility of hiring civil servants who do not have knowledge of the English

⁴² *Ibid.*

⁴³ Article 3, Law on Determining the Maximum Number of Employees in the State Administration (ZUMBZ), Official Gazette of the Republic of Serbia, no. 104/2009.

⁴⁴ See Ministry of Finance statistics for July and August 2013, available at: <<http://www.mfin.gov.rs/pages/article.php?id=10729>>

⁴⁵ This includes all posts which are not appointed, including managers of internal units in state institutions. Article 35, Law on Civil Servants.

⁴⁶ The recruitment procedure includes four elimination steps. After the selection committee holds a meeting where the examination methods and selection criteria

are defined, computer stimulation exercises are held. In the second phase knowledge is tested, usually through an examination or stimulation, and less often through essay writing. Trainees are not required to undergo these testing stages. After psychological testing is conducted, and then in the fourth phase oral interviews are held with the candidates.

⁴⁷ See Articles 32-37 of the Act on the implementation of internal and open competitions for vacancies in state institutions, “Official Journal RS”, no. 41/2007, 109/2009.

⁴⁸ SIGMA Principles of Public Administration, op.cit, p. 49.

language to work in the field of European integration.

Besides this, the prescribed procedure for the submission of applications for public competitions can have a considerable demotivating effect on external candidates. The Law treats the application documentation of the candidates as the first eliminatory step in the selection procedure, i.e. it does not allow candidates to resend documentation which is found to be incomplete or “incomprehensible” within a certain timeframe.⁴⁹ Bearing in mind that the applying for public competitions requires collecting piles of documents, the elimination of candidates based on incomplete or “incomprehensible” documentation without any remedy rights seems to be a very bad and disproportionate solution. “Form has become an enemy of reason”⁵⁰ with respect to the practice of filling vacancies through public competitions. Such a procedure gives considerable advantage to those “internal” candidates who are already hired on a fixed-term or on another contractual basis, given that they normally receive assistance during the preparation of their application documentation. Contrary to such practices, in developed civil service systems, such as the one in France, the first competition phase consists of submitting elementary documentation for the post in question, while a more complex dossier is demanded only in the subsequent competition phases.⁵¹ Simplification of the competition procedure by amending the existing provisions

The prescribed procedure for the submission of applications for public competitions can have a considerable demotivating effect on external candidates. Bearing in mind that the applying for public competitions requires collecting piles of documents, the elimination of candidates based on incomplete or “incomprehensible” documentation without any remedy rights seems to be a very bad and disproportionate solution.

would undoubtedly make the civil service more attractive to competent external candidates.

Lack of Authority of the Central Human Resource Management Service

The Human Resource Management Service (Služba za upravljanje kadrovima, SUK) has a significant formal role in the recruitment procedure. This Government service, inter alia, announces internal competitions for executive post vacancies as well as internal and public competitions for appointing senior civil servants, ensures proper procedural execution, provides opinions on rulebooks on internal organisation and systematisation of posts and provides expert assistance to the state institutions with regards to human resource management and internal organisation.⁵² SUK’s psychologist is one of the compulsory members of the selection committee for executive posts with a predominantly advisory role for choosing the most appropriate method for the selection and appraisal of the candidates.⁵³ During the phase of interviewing candidates, the task of the SUK psychologist is to assess their motivation for the given post. The interviewees from the ministries stressed the role of SUK in the area of organisation and provision of trainings and seminars in various spheres of European integration. However, according to them, the role of SUK is significantly less influential in terms

of the mere selection procedure of the candidates.

In fact, the amendments to the Law on Civil Servants from 2009 largely limited the role of SUK in the recruitment procedure by authorising the state institution that is filling the execu-

⁴⁹ See Article 55. of the Law on Civil Servants.

⁵⁰ Based on the insights of one of the authors in the framework of her professional engagement in the Cabinet of Deputy Prime Minister and Minister for Public Administration and Local Self-Government.

⁵¹ In France, the first round of the procedure includes the submission of personal information, academic back-

ground and relevant scanned diplomas via an e-application. See SCORE website, <<http://www.fonction-publique.gouv.fr/score>>

⁵² Article 2, Act on Establishing the Human Resource Management Service, “Official Journal RS,” no. 106/2005, 109/2009.

⁵³ Article 33 of the Act on the Implementation of Internal and Open Competition for Vacancies in State Institutions, “Official Journal RS,” no. 41/2007, 109/2009.

tive post vacancy to organise the open competition procedure.⁵⁴ In the mere selection process, SUK is also restrained by an insufficient number of available methods for verifying educational background, knowledge and skills, which is comprised of a test, a written examination, a simulation exercise and an interview.⁵⁵ Thus, its primordially conceived role of being an authoritative, centralised service that would manage and coordinate human resources in the state administration, is in fact limited to providing assistance to human resources services in the ministries. Moreover, SUK does not possess any mechanisms to oblige the ministries to regularly update their human resource databases, which as a result makes the Central Human Resource Record, conceived as a central IT database, incoherent and outdated.⁵⁶ One possible reason for the weak and incrementally less substantial role of SUK may be the lack of real political support for their work, given its status as a Government service, whose Director is accountable to the Secretary General of the Government. Such a position certainly makes SUK less visible in the system and hinders its access to decision makers.

The analysis of the Law on Civil Servants and other relevant acts therefore confirms that the civil service system in Serbia is profoundly incoherent and disintegrated. Alongside the described limitations, it should be noted that the majority of the provisions in the Law on Civil Servants do not apply to police officers, custom and tax civil officers, nor to civil servants working on security and intelligence issues and on the execution of criminal

sanctions,⁵⁷ thereby limiting the application of the Law to less than 13 thousand employees in the civil service, which makes up around 50% of the state administration and less than 3% of the general government.⁵⁸ These provisions were also introduced as amendments to the Law in 2007 and 2009, which is further proof of the gradual and constant degradation of the system. It should also be noted that the provisions of other relevant laws, such as the Law on Salaries of Civil Servants and State Employees or the Law on Determining the Maximum Number of Employees in the State Administration, do not apply to the Ministry of Interior, Ministry of Defence, Security Information Agency and Administration for Executing the Criminal Sanctions, these institutions being either directly excluded from the application of the law,⁵⁹ or a special law is applied.⁶⁰ These facts additionally confirm the incomplete and scattered character of the Serbian civil service system.

The announcement of serious and more profound civil service reforms gives reason for optimism, especially if the conception of these reforms will take into account in a balanced way the reality of the administrative and political culture in Serbia on one hand, and the requirements of the EU accession process on the other.

Based on the previous arguments, it can be concluded that the civil service system in Serbia is de facto predominantly characterised by poor features of a position-based model. The introduction of amendments to the Law on Civil Servants did not improve the recruitment system. On the

contrary, it derogated and made certain positive elements of the original law from 2005 senseless. The latest amendments from November 2014 represent another missed opportunity to strengthen merit-based civil service recruitment principles, although the Minister in charge emphasised several times that the latest changes are only “the beginning of the serious changes” that are being planned.⁶¹ In that

⁵⁴ Article 54, Law on Civil Servants.

⁵⁵ Articles 4-9, Rulebook on Educational Background, Knowledge and Skills to be Verified in the Selection Procedure, Methods and Benchmarks of Selection for Vacancies, “Official Journal RS”, no.64/2006, 81/2006, 43/2009, 35/2010.

⁵⁶ Article 159, Law on Civil Servants.

⁵⁷ Article 32, Law on Civil Servants.

⁵⁸ General government sector is an internationally comparable category, which includes all public institutions,

but excludes state/public enterprises on all levels of government.

⁵⁹ Article 1, Law on Salaries of Civil Servants and State Employees or the Law on Determining the Maximum Number of Employees in State Administration.

⁶⁰ For example, the salary system of the employees in the police are regulated by the Law on Police, the salaries of tax officers by the Law on Tax Procedure and Tax Administration, etc.

⁶¹ See, for example: <<http://www.blic.rs/Vesti/Politika/>

sense, the announcement of serious and more profound civil service reforms⁶² gives reason for optimism, especially if the conception of these reforms will take into account in a balanced way the reality of the administrative and political culture in Serbia on one hand, and the requirements of the EU accession process on the other.

IV. What are the Paths to Recruitment Policy Reform?

Based on the analysis of the current capacities of the civil service for tasks related to EU accession and the analysis of recruitment policy limitations, three alternative directions for the future development of civil service recruitment policy are proposed. The options are defined in relation to the scope of the necessary reforms (the efficiency of reforms achievable in the short, medium or long term) and the choice of civil service system model (career-based, position-based or hybrid). The options are subsequently evaluated against feasibility and suitability criteria, bearing in mind current circumstances in Serbia.

Status quo – de facto position-based system

The first option would not require any reforms, as it would be based on a consistent application of the existing acts, which regulates the civil service system in Serbia. This entails the effective correction of the noted flaws in practice in the recruitment procedure of both civil servants for appointed positions and of those on executive posts. In reality, this would necessitate making information concerning the recruitment process and criteria for appointed positions publically available, which are often simulated in practice so as to bring the most politically suitable candidates to these positions. Moreover, this option requires reducing the number of fixed-term employees in accordance with the legal provisions, which limits their number to 10% of the total number of non-fixed term employees in the state administration. Consistent application of the existing law

would entail the implementation of the selection procedure in its entirety, irrespective of the category of the candidate (fixed-term employee or external candidate), which could be ensured through a more proactive role of the Administrative Inspection. The civil service system would therefore remain a predominantly position-based system, but the consistent application of existing acts would alleviate, to a certain extent, the limitations of this model, such as the risk of state administration politicisation and the lack of a developed common administrative culture.

Hybrid Recruitment System

The second option requires introducing changes into the legal framework for human resources management in the civil service, which would have characteristics of both the career-based and position-based models.

In this option, recruitment for managerial positions in the state administration would be performed according to the position-based model. This can be justified with the necessity of having competent individuals occupying positions of high responsibility, when the speed and efficiency of reform implementation are crucial. The legal amendments would therefore enable hiring candidates for managerial positions via open competition, where the advantage would not be given to the incumbent civil servants vis-à-vis the external candidates. The recruitment criteria would thus be merit-based, i.e. based on the suitability of the candidate's profile in relation to the given post.

At the same time, the modifications would enable attracting external candidates to apply for positions in the civil service at the beginning of their careers according to the principles of a typical career-based system. The modifications would bring coherence into the existing system, as they would prescribe a career path for young civil servants, a clearly defined vision and a plan for a person's development and promotion as a civil servant. Some of the elements

494074/Usvojene-izmene-Zakona-o-drzavnim-sluzbenicima>, <http://www.rtv.rs/sr_lat/politika/usvojen-zakon-o-platama-drzavnih-sluzbenika_517488.html> (16 November 2014)

⁶² Communication of the Ministry of Public Administration and Local Self-Government, 5 September 2014, <<http://www.mduls.gov.rs/arhiva-saopstenja-septembar-2014.php>>

which necessitate improvement are the mentorship system, trainings schemes in light with the needs of the civil servant, performance appraisal and promotion mechanisms. The recruitment procedure for entry-level positions would be based on centralised open competition system, whereby the candidates would not be accepted for concrete posts, but rather for general posts aimed at training for work in the civil service. The procedure would have to consist of several stages, so as to ensure the selection of the best candidates, in accordance with their skills and potential.

In parallel, the advantage in terms of filling vacancies at the executive, managerial level would be given to civil servants according to their performance, given that the perspective of promotion represents a crucial factor in relation to the success of such a centralised and somewhat “elitist” approach to recruitment at the beginning of a career. At the same time, senior executive posts would be equally open to external candidates with justification, so as to avoid that the system becomes too rigid.

The system should be founded on competency management principles, in order to alleviate the formalism of the current focus on educational background and the length of professional experience. These competences include a combination of knowledge, skills, attitudes and other personal characteristics, which are determined as necessary for a good performance in the given post.⁶³ They can be, for example, strategic thinking, adaptability, achievement of results, dedication, networking, communication skills, etc.⁶⁴ The principles of competency management can serve as a good

means of transforming traditional administrations into modern ones, as it puts the focus on human resources in order to achieve the goals of the organisation.⁶⁵ The recruitment procedure under such a framework can contribute to a clearer identification of suitable candidates for the given post, since educational background is not the only determining factor in the selection process, but their personal characteristics in relation to the required profile are also taken into consideration.

The practice and experiences of the British “Fast Stream” recruitment system of young graduates into the civil service can serve as an inspiration for introducing new provisions in the Serbian system. Namely, this programme provides ideas not only in terms of organisation of open competitions and the selection of

the best candidates (annual call through which around 0,5% of the total number of civil servants is accepted into the civil service; several phases of testing, the first being self-evaluation, etc.), but also in terms of providing direction and training to these individuals during their first four years in the civil service (in the first two years

they focus on expanding their experience by moving biannually in four different sectors, whereas the second two years they go “in-depth” by specialising at two posts, supported with regular mentorship and performance appraisal).⁶⁶

In this option, SUK (or any other central human resource management service) would need to have increased influence and be given greater competences in terms of the recruitment procedure for candidates at the beginning of their

In the implementation of these new principles, especially those related to the civil service system, it would be important to consider the administrative and political culture of the candidate countries, since taking a rigid stance in terms of the implementation of the principles could make these countries simulate compliance with the principles. Such practices could in fact seriously damage the sustainability of reforms.

⁶³ OECD (2011), “The government shift to competency management,” in *Public Servants as Partners for Growth: Toward a Stronger, Leaner and More Equitable Workforce*, OECD Publishing, p. 122. <<http://dx.doi.org/10.1787/9789264166707-5-en>>

⁶⁴ *Ibid.*, p. 130.

⁶⁵ *Ibid.*, p. 125.

⁶⁶ Information and reports about the Fast Stream programme are available on <<https://www.gov.uk/faststream>>

careers, as well as in terms of open competitions for senior positions.

Modern, Career-based Recruitment

The creation of a modern career-based system in Serbia would require the biggest scope of reforms. Alongside the emphasis on the recruitment of young candidates into the civil service and the strategic planning of their career development and retention, in this system vacant senior managerial positions would be filled by existing civil servants through internal competition. Hence, open competitions would be open only to future civil servants at the beginning of their career. Civil servants would be obliged to move through different civil service sectors after a certain period of time, so as to avoid “saturation” with one job and for the sake of the creation of a common administrative culture.

In order to avoid the negative aspects of the career-based model, such as the risk of system inertia or the low focus on measuring performance, the competency management system described in the previous option would be of crucial significance.

In this system, a strong centralised body for human resource management would have a key role in the open competition recruitment process, given that this institution would be in charge of creating a general competency framework for open posts. Besides, the central body would be in charge of implementing all the phases of the competition and candidate evaluation. Single state organs would be responsible for organising and implementing internal competitions, while the appraisal of candidates would be done against the prescribed competency framework, developed and updated by the centralised body.

Graduates in this system would have additional motivation to work in the public administration if their actual work in the public administration would be directly related to their vocational training. The most famous example is the French *Ecole Nationale d'Administration* (ENA), in which around 40 graduates enrol every year by way of an extremely competitive competition. By enrolling in ENA, these individuals automatically become civil servants and start preparing for their future work in the civil sector.

V. Can the Leopard eventually Change its Spots? Perspective Reforms

Even though the experiences from the previous enlargements suggest that civil service system reforms should be implemented as early as possible in the accession process for the sake of ensuring sustainability, this is certainly not the area in which political support and commitment to reform can be gained easily and spontaneously. In fact, these reforms limit the manoeuvre space for politicians to bring discretionary decisions regarding civil service staff. However, it seems that the new framework for monitoring public administration reform developed by SIGMA will bring about major changes in the way these reforms are to be treated during the accession negotiations, given that every aspect of the public administration system, including the civil service system, will become clearly measurable and susceptible to far more detailed assessments by the EU. Although candidate states can rightfully claim that the EU has double standards in this field – since one can have impression that many member states would fail if their obedience if these principles were tested – it seems that this kind of conditionality will to a large extent act in the favour of the candidate countries.

However, in the implementation of these new principles, especially those related to the civil service system, it would be important to consider the administrative and political culture of the candidate countries, since taking a rigid stance in terms of the implementation of the principles could make these countries simulate compliance with the principles. Such practices could in fact seriously damage the sustainability of reforms. For example, the requirement to entirely eliminate political influence in terms of the selection of senior managers is controversial, not only from the perspective of its foundation in the common administrative traditions and practices of Member States, but also from the perspective of its full feasibility in countries where politicisation is penetrating into all segments of the administration. The insistence on full implementation of these principles can seriously endanger the will of political

leaders in these countries to depoliticise civil service at lower levels.

If one assumes that the greater focus of the EU and the clearer framework for measuring reforms will help to instigate further reforms of Serbia's civil service system, the question remains which model is the most suitable in the context of the need for flexible de-politicisation as imposed by the EU accession process and which model is implementable in the medium-term.

Given that the **status quo option** described above does not require introducing new acts or amending existing ones, sufficient political will to implement the Law on Civil Servants in a consistent manner would induce immediate glimpses of the improvement of the recruitment procedure. To exemplify, the implementation of the entire open competition procedure for all candidates along with equal treatment by the institution in charge would lead to a decrease of corruption perceptions of the recruitment procedure and would probably increase the quality of candidates that apply and get hired by the civil service. However, the question remains whether the consistent implementation of the existing system would respond to the most challenging problems with respect to human resources quality, or on the contrary, if it is necessary to seek new solutions. In other words, even if the existing laws are fully implemented, the system is constructed in such a manner that it would still produce the negative effects of the position-based model. This is especially true for the provisions which do not bind the institutions to organise internal competitions for filling vacancies and to hold competitions for civil servants employed on a fixed-term.

Bearing in mind the current circumstances in Serbia, characterised by the urgent need to improve human resources in the civil service according to the principles of meritocracy for the sake of ensuring the sound implementation of reforms and accession negotiations, **the second option of the development of a hybrid model with new elements of the career-based system** possesses enough features whose implementation would produce visible

results. Combining elements of the career-based and position-based systems in a manner that minimises discretion and political interference and favours meritocracy and transparency can significantly make the state administration more attractive to competent external candidates, who are nowadays rather discouraged to apply for work in the civil service. Merit-based recruitment principles and the competency management framework would be reinforced with a bigger scope of work for the central body, which would be in charge of the management of the selection procedure, and of oversight of human resources policy led by the individual institutions. It goes without saying that the new tasks would require the hiring of new staff in the central body, as nowadays under the circumstances in which SUK operates there are insufficient human capacities. If the amendments to the Law on Civil Servants, containing the element described under this option, are introduced by the end of 2015, one could expect that its effects would manifest by the mid-term, which coincides with the planned finalisation of accession negotiations with the EU.

It should be stressed that the introduction of a centralised competition for new civil servants at the entry-level position would also necessitate the significant reduction of "silo mentality," which still exists in the Serbian ministries (despite the fact that one might assume that the current political situation, in terms of the domination of one political party in the Government and a Prime Minister figure, could actually help with transforming such a culture). Therefore, it is necessary to make a careful assessment of the central competition feasibility for all entry-level civil servant positions and to possibly create a variation of this option for candidates who possess highly demanded skills (for example management of EU funds, coordination of EU affairs, analysis of public policies, strategic planning, etc.)

Finally, the realisation of the **modern career-based system option** requires substantial political maturity and a shift of the administrative culture in Serbia, which nowadays shows re-

sistance to performance and results measurement. This option is therefore suitable in the long-term perspective, after Serbia's accession to the EU, when the human resources will have been "reinvigorated" via centralised competitions at the beginning of the career, combined with the recruitment of top quality managers in line with the position-based system described under the previous option. Since this system would largely reduce the possibilities of recruiting external candidates, it is adequate only once the internal quality of human resources has been significantly improved and meets EU membership needs.

Given the urgent need to improve the performance of the state administration in the context of the current and future reform tasks related to membership negotiations, the introduced austerity measures and the obligation to downsize the public sector (including the state administration), correcting the flaws of the existing legal framework and enforcing new provisions seems to be imperative. The envisaged reduction of civil servants by firing those with the worst performance, combined with the implementation of a merit-based recruitment procedure as described under the second option (hybrid system), would represent an opportunity for reinvigorating the human resources in the state administration and strengthening it with the staff necessary for conducting EU accession related tasks. It seems that the competent ministry is aware that along with the need to downsize the public sector, it is equally necessary to recruit competent staff for highly important positions, which do not exclusively handle (and certainly not directly) EU integration affairs.

Improving the quality of human resources in the state administration by applying hybrid system recruitment principles necessitates the realisation of the following steps, out of which the majority needs to be realised via amendments of the Law on Civil Servants:

- Organise inter-ministerial consultations on introducing centralised competition and ensure political support for this novelty with clear argumentation on the needs of accession process.
 - Introduce a competency management system, based on human resource management at all levels (both for executive and appointed positions).
 - Improve and simplify procedure for recruiting external candidates for managerial positions, inter alie, by annulling the obligation to submit the complete documentation in the first application round.
 - Empower (both in legal and staff terms) the central body for human resource management, whereby it is necessary to perform a functional analysis of human resource management which would give answers with respect to which type of centralised body is the most suitable for attaining the required strength and influence.
 - (Re)integrate the recruitment system, by applying a uniform set of legal provisions throughout the entire central administration.
- The creation of a centralised open competition system for entry-level positions, in line with the European best practices.

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- Law on Determining the Maximum Number of Employees in State Administration, "Official Gazette RS," no. 104/2009.

Institutions that Participated in the Interviews

- Serbian European Integration Office (SEIO)
- Ministry of Economy, Sector for Development of SMEs.
- Ministry of Finance, Sector for International Cooperation.
- Ministry of Trade, Tourism and Telecommunications, Department for Managing Projects Financed by EU Funds.
- Cabinet of the Deputy Prime Minister and Minister of Public Administration and Local Self-Government
- Human Resource Management Service
- OECD/SIGMA
- Directorate General of Administration and Civil Service (La direction générale de l'administration et de la fonction publique), Republic of France.

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The European Policy Centre (CEP) is a non-governmental, nonprofit, independent *think-tank*, founded by a group of professionals in the area of EU law, EU affairs, economics and public administration reform, with a shared vision of changing the policy making environment in Serbia for the better.

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Authors of the study: Milena Lazarević and Sena Marić

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For more information on the project or study, please contact Sena Marić at sena.maric@cep.org.rs



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