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# PUBLIC ADMINISTRATION REFORM IN SERBIA - SIGMA Monitoring Report 2019

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Original scientific paper

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In context of the public administration reform implementation program, SIGMA – OSCE presented key finding of its Serbia 2019 Monitoring Report. The event brought together high-level SIGMA experts, representatives and officials from various government bodies and civil society organizations, as well as representatives from the European Commission and the EU Delegation, to discuss the current challenges and priorities in the areas of public service and human resource management and public service delivery.\*\*

The opening speeches were given by Dr. Gregor Virant (Head of SIGMA), Sem Fabrizi (Ambassador and Head of Delegation of the European Union to the Republic of Serbia), Prof. Mihailo Jovanović (Director at Office for Information Technologies and e-Government), Branko Ružić (Minister of Public Administration and Local Self-Government) and Ana Brnabić (Prime Minister of Serbia). The detailed key-note presentation of the Key Findings and Recommendations of the SIGMA 2019 Monitoring Report for Serbia in the Areas of areas of Public Service and Human Resource Management and Public Service Delivery was delivered by Annika

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\*\* The report was published as *The Principles of Public Administration: Monitoring Report Serbia - Public Service and Human Resource Management*, SIGMA-OSCE, Paris, May 2019 (available on <http://www.sigmaxweb.org/publications/Monitoring-Report-2019-Serbia.pdf>). The event was held in Belgrade on October 2, 2019.

Uudelepp from the SIGMA team, followed by lively interactive discussion sessions moderated by Milena Lazarević from the Center for European Policy. Focus areas for the 2019 Monitoring Report were selected jointly by the Organization for Economic Co-operation and Development and the European Commission, as the selected areas of public service and human resource management and public service delivery are considered relevant to Serbia's European Union integration process and are important aspects of the policy dialogue relating to the ongoing accession negotiations. The 2019 Monitoring Report follows up on the 2017 analysis and recommendations and provides an overview of the "state of play" and main developments with a detailed analysis based on related SIGMA Principles of Public Administration measured against the indicators of the Methodological Framework for the Principles of Public Administration.<sup>1</sup>

**Public Service and Human Resource Management.** The SIGMA 2019 Monitoring Report for Serbia covers six principles for public service and human resource management area: a) scope of public service; b) policy and legal frameworks for professional and coherent public service; c) recruitment of public servants; d) direct or indirect political influence on senior managerial positions; e) remuneration system of public servants is based on job classification; f) professional development of public servants.

**Scope of public services.** In the area of "scope of public services", the analysis shows (pp. 8-10) that the legal basis for establishing the horizontal and vertical scope of the civil service are acceptable. The key laws regulating the scope of the civil service are the Law on State Administration (2005, 2018) and the Law on Civil Servants (2005, 2018). The Report states that the scope of the civil service remains solid, with an enhanced material scope (and the introduction of a competency framework) at the end of 2018. The horizontal scope was also improved. However, the promotion and termination of employment of public agencies' staff is still not governed by merit-based rules. Despite the clear legal distinction between political posts and senior civil service posts, two-thirds of senior civil service posts have not been selected on a competitive

<sup>1</sup> *The Principles of Public Administration*, SIGMA - OECD, Paris, 2017; *Methodological Framework for the Principles of Public Administration*, SIGMA - OECD, Paris, 2019. ([www.sigmaweb.org/publications](http://www.sigmaweb.org/publications)).

basis which blurs the distinction between the political appointees and senior civil service posts in practice.

**Policy and legal frameworks for public service.** In the area of “policy and legal frameworks for professional and coherent public service” the analysis shows (pp. 10-13) that the political responsibility for the civil service is vested in the Ministry of Public Administration and Local Self Government. Apart from the existing Human Resource Management Service (SUK) which reports to the Secretary General of the Government, in 2017 the National Academy for Public Administration (NAPA) was established as a new institution responsible for training civil servants that reports to the Ministry. The Report states that the human resource management policies and institutional set-up are in place, but the fact that several institutions with different reporting lines are in charge of policy co-ordination and monitoring in this area poses a risk for effective implementation. Also, no improvement is noted in the Human Resource Management Information System register which is not adequately updated or connected to other national databases, in turn having the effect that human resource management analytical reports practically cannot be created.

**Recruitment of public servants.** In the area of “recruitment of public servants”, the analysis shows (pp. 14-18) that in practice there were no significant changes in the existing system of recruitment and selection of civil servants. As the provisions of the 2005 Law on Civil Servants were still in force, the challenges in implementation described in the SIGMA 2017 Monitoring Report remained the same, including an overly bureaucratic procedure that did not guarantee merit-based selections. Job announcements did include requirements based on legislation and job descriptions, but an interview without any written tests remained the main selection method in many institutions. Non senior-managerial candidates who are not appointed have the right to appeal recruitment decisions to the Government Appeals Commission and then to the Administrative Court. Concluding, the Report states that in 2017, the number of appeals against recruitment decisions significantly rose in comparison to the previous year, amounting to 27.4% of all appeals and that overall, the Administrative Court decisions were favorable to dismissed civil servants, by reinstating them to civil service positions.

**Direct or indirect political influence.** In the area of “direct or indirect political influence on senior managerial positions”, the analysis shows (pp. 18-23) that direct and indirect political influence on filling senior managerial positions is one of the critical issues in the civil service. This section of the Report (prepared by SIGMA expert Primož Vehar) deserves special attention, as statistics show that the number of officials occupying managerial administrative positions with a temporary status of “acting head” remains very high. The term “acting head” denotes a senior civil servant appointed for a limited period, without a competitive procedure. Senior managerial civil servants include: heads of subordinate bodies of ministries (special organizations and internal bodies of ministries) and their deputies and assistants; heads of services of the Government and their deputies and assistants; deputies and assistants of the Secretary-General of the Government; heads of sectors in ministries (assistant ministers) and secretary- generals of ministries; and the Republic Public Attorney and the Deputy Republic Public Attorney. The Law on Civil Servants refers to this category of personnel as “appointed positions”. The analysis shows that the number of “acting heads” increased from 207 in 2016 to 209 in March 2019, and represents 55% of the total number of 377 senior civil service positions. In 2018, only 19 posts were filled on the basis of a competition as stipulated by the Law on Civil Servants (13 senior civil servants were dismissed). The total number of implemented vacancy procedures in 2018 was 62 (38 opened internally and 24 opened externally), and that 59 procedures were finalized (compared to 24 in 2017 and 35 in 2018). This total - 19 appointments out of 59 - is extremely low, indicating that the root of the problem lies in a failure of the political level to make appointments and conclude the competitive procedures.<sup>2</sup> Amendments to the Law on Civil Servants in 2018 were adopted with the aim to address this issue in several ways. The amendments to the law and the Decree on Carrying Out Internal and Open Competitions for Filling Posts in State Bodies contain several measures intended to reduce the number of “acting heads”. A selection procedure for a senior civil servant position must be initiated 90 days prior to the

2 Details on the statistics are given in the Monitoring Report graphic presentations on the number of senior civil servants positions in the 2013 to March 2019 period (p. 18); the number of senior civil service positions and number of acting heads in the 2017 to 2019 period (p. 20); the appointment of senior civil servants in March 2019 (p. 20), and the recruitment procedures completed on time and subsequent appointments of senior civil servants in 2016 and in 2018 (p. 21).

expiration of the mandate of the existing one (or in the case of posts that were not occupied immediately after the amendments took effect). An “acting head” should only be a civil servant employed on a permanent basis (in March 2019, out of the 209 “acting heads” only some 50% are civil servants). If no senior civil servant is appointed within six (plus an additional three) months, the position must remain vacant until the appointment of a new senior civil servant, who must first have passed the selection procedure. The “acting heads” who are in place at the time of the amendments entering into force may remain in the position only until 1 July 2019. It is yet to be seen how the amended Law will be efficiently implemented in practice, as the dead-line has passed. Concerns remain over the provisions on senior managerial positions, as there are tight deadlines for completing a competitive procedure and for the appointment of a high number of senior civil servants (around 250). The legislation provides that if the selection procedure does not result in an appointment or is unsuccessful, the status of “acting head” can be extended for an additional three months. This would seem to leave the door open for additional delays in appointment. Passing a state exam is a special requirement for applying to the senior managerial posts. The applicants who have not passed the exam have 20 days “to present” (that is, to pass) a certificate of completion. This is questionable for two reasons: a) the state exam requires a candidate to memorize a considerable amount of information on the functioning of the public administration (which may not be an appropriate tool for selecting top managers in the civil service), and b) a deadline of 20 days seems too short to prepare for the state exam. The right to appeal against unfair dismissal to the Government Appeals Commission does not apply to senior managerial positions, but the Government’s decision may nevertheless be contested before the Administrative Court. Additionally, public agencies are governed by a governing board and a director. Members of the governing board are appointed directly by the Government. The governing board is in charge of holding a public competition to appoint an agency’s director. Although public agencies legally have a higher level of autonomy than other government agencies (special organizations and internal bodies of ministries), the Government has considerable influence, because it appoints and dismisses the members of the Management Board. The objectivity of the criteria for the demotion and termination of

the employment of civil servants has slightly changed, especially for senior civil servants who manage civil service institutions (e.g. directors of special organizations). The criterion of termination of employment of a senior civil servant managing a civil service institution in the case of “serious disturbance in the operation of the body he/she manages” has been slightly improved. The amendments to the Law on Civil Servants require the Government to state and explain that serious disturbance is the consequence of “failure to reach strategic objectives and implement organizational plans”. As senior civil servants that are managing civil service institutions are not subject to performance appraisal, this criterion for termination of employment is, in the opinion of the Ministry of Public Administration and Local Self Government, the only tool for ensuring their accountability to the Government. However, “serious disturbance in the operation of the body” leaves room for possible political influence without defining the procedure and the criteria for termination and represents a serious breach of the otherwise objective system for terminating the employment of senior civil servants. The Report states that “It must be concluded that the previous concerns remain and that the risk of direct or indirect political influence on managerial civil service posts continues to be high.” (p. 21). As no significant legislative changes were made in defining senior managerial posts within the civil service, the overall value for the indicator on merit-based recruitment and dismissal of senior civil servants remains very low.

**Remuneration system based on job classification.** In the area of the “remuneration system of public servants based on job classification”, the analysis shows (pp. 24-26) that the salaries of civil servants are based on the system of job classification which has been in force since the adoption of the 2005 Law on Civil Servants. The classification system is governed by the Decree on Job Classification and Criteria for Job Descriptions of Civil Servants, which was amended in early 2019 to allow for the introduction of competences in the job descriptions. The Report states that the salary structure for civil servants is transparent, fair (with minor inconsistencies) and based on a job-classification system. The implementation of the Law on the Salary System in the Public Sector was delayed again until 2020. Also, the pay levels of independent institutions (e.g. State Audit Institution, Constitutional

Court) are not fully aligned with the provisions of the on Civil Servants, since their special laws stipulate significant differences in the salaries of employees of the institutions.

**Professional development of public servants.** In the area of “professional development of public servants”, the analysis shows (pp. 27-31) that the main change during the reporting period was the establishment of the National Academy for Public Administration which took over the responsibility for training civil servants from the Human Resource Management Service and its Department for Professional Development. Concluding, the Report states that the organization and responsibilities for professional development of civil servants were modified with the creation of the National Academy for Public Administration. However, this new institution is still in the process of development and assessments need to be carried out in the future. The concepts of team performance and detailed competency assessment have been introduced through a new performance appraisal system. The use of the new system raises concerns that it might be turned into a technical exercise, not a genuine appraisal to support the development and performance of the staff, especially since the Human Resource Management Information System is still not operational to back it up.

**Service Delivery.** The SIGMA 2019 Monitoring Report for Serbia also covers four principles for the service delivery area: a) citizen-oriented state administration; b) good administration; c) ensuring the quality of public service; d) accessibility of public services. As the legal framework for e-government has recently been substantially improved, the new vision would need to concentrate on the next strategic steps along with the implementation of the new set of regulations in this area.

**Citizen-oriented administration.** In the area of “citizen-oriented state administration”, the analysis shows (pp. 36-40) that the strategic framework for improving service delivery is diverse. In general, it favors service delivery through digital channels over paper-based processes. In 2018, the e-Government Development Strategy 2015-2018 expired, creating a temporary vacuum in the strategic framework of e-government policy. As the legal framework for e-government has recently been substantially improved, the new vision would need to concentrate on the next strategic steps

along with the implementation of the new set of regulations in this area. The Government's commitment to public service delivery and its initiatives in the area are continuing and visible. However, while some services have been improved in the past two years, others have not been modernized and are complicated to use.

**Good administration.** In the area of “good administration”, the analysis shows (pp. 41-42) indicates the innovation of the new Law on General Administrative Procedure concerning the “once only” principle. However, in practice, officials are often reported to suggest that it would be quicker for applicants to bring the document from another government body by themselves. This is partly due to the lack of knowledge and capacity of the service providers, as well as the lack of digital solutions. Citizens are often not aware of their legal rights, which allows the administration to maintain the old, cumbersome procedures. On the issue of the harmonization of special laws with the Law on General Administrative Procedure, the Report states that it has proceeded more slowly than anticipated (of 270 laws that required harmonization only 43 were harmonized) and that a joint effort of the key players involved in the regulatory impact assessment should ensure that all the special laws are properly harmonized with the Law on General Administrative Procedure. Also, implementation of the Law on General Administrative Procedure by service providers still needs improvement, as does raising public awareness of citizens' rights to demand that the provisions on ‘once only’ and accepting digitally signed documents be adhered to.

**Quality of public service.** In the area of ensuring “quality of public service” the analysis shows (pp. 43-45) that the monitoring of service delivery performance is still rudimentary. Information on the volume of services delivered via the e-government portal is available, but statistics on the volume of services delivered through different channels, cost per service, or information on user feedback are not centrally collected or otherwise available. This to some extent reflects the fact that the administration has not shifted its focus from administrative procedures to the concept of administrative service. Engagement and interaction with end users is still in the early stages and the performance and quality of public service monitoring systems remain weak as there is no central approach nor central co-ordination (although the administration



has increased its use of quality management and user feedback tools). A solution for expediting payments has been introduced, but digital payments are still not widely available.

**Accessibility of public services.** In the area of “accessibility of public services”, the analysis shows (pp. 46-49) that there is no explicit policy on this matter. The network of offices across Serbia has been traditionally widespread (e.g. the Geodetic Authority has 170 offices around Serbia, although those in municipalities only conduct a few services a day; some 190 police stations issue personal documents and driving and vehicle licenses; the Tax Administration had 178 branch offices across the country, of which 95 were closed). The Law on General Administrative Procedure calls for a citizen to be served at a single window, whether or not the procedure requires co-operation between different government bodies. However, the Law is vague on the details and delegates the design of detailed conditions, criteria and standards to the Government in the form of a by-law. More attention needs to be paid on creating one-stop shops and new service transformations. Accessibility is an important issue, since not all the service providers are using electronic channels, and varies widely depending on the location. The regulatory framework for access to people with disabilities is in place, but its implementation is poor.

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