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УНИВЕРЗИТЕТ НА ЈУГОИСТОЧНА ЕВРОПА  
SOUTH EAST EUROPEAN UNIVERSIT



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ФАКУЛТЕТ ЗА СОВРЕМЕНИ ОПШТЕСТВЕНИ НАУКИ  
FACULTY OF CONTEMPORARY SOCIAL SCIENCES

**FACULTY OF CONTEMPORARY SOCIAL SCIENCES  
DOCTORAL STUDIES: PUBLIC GOVERNANCE AND  
ADMINISTRATION**

**IN PURSUIT OF DOCTORATE DEGREE**

**“Governance in the Context of EU Conditionality: The case of  
North Macedonia and Kosovo”**

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**August 2020**

## **Acknowledgment**

I dedicate this doctoral thesis to my son Rron!

Writing a dissertation is a solitary experience, but it would not be possible without the support of so many people around me.

First and foremost, my acknowledgment goes to my mentor, Professor Blerim Reka, who has continuously provided me with constructive criticism and support. Professor Reka has had an active role from the first phase of this research - drafting of the thesis structure until the final phase of writing down the policy recommendations. Forever thankful to the immense support he provided during this doctoral thesis.

My very special thank you goes to the Open Society Foundations and the Central European University (CEU), for supporting me financially and for offering me all the necessary materials and tools, respectively, to conduct research for one semester at the CEU in Budapest (2017-2018). Another special thank you goes to the DAAD and the Willy Brandt School of Public Policy (WBSPP), who provided me with the necessary financial and technical resources, respectively, to spend one semester of my doctoral research at the WBSPP (2018-2019). Without the financial support of the OSF and DAAD that enabled me to spend two semesters in these venerable universities, my doctoral research would not have been possible.

I also want to express my acknowledgment to my close friends and family who believed in me during all times and to my colleagues who showed their understating throughout this process.

I am forever thankful to my parents who have emotionally and financially supported my doctoral studies. During down times they have always been there to motivate and to give me the power to continue further and never give up.

Last, but not least, my biggest thank you goes to my little family my son- Rron and my husband-Vigan. Thank you to my Rron for making me laugh and giving me the energy to continue. I also apologize him for the days I have spent away from him while doing my research. My husband has been my biggest support system during all this time and I am forever thankful to his respect for my ambitions and his love for our little family.

## **Abstract**

The aim of my thesis is to investigate the extent to which the EU conditionality has induced governance change in North Macedonia and Kosovo through the lenses of Europeanization theory.

The prominent concept of Enlargement Policy and the process of Europeanization have been important fields of study from 1990 up to the 2004-2007 EU enlargements. These concepts retain their significance due to the Union's importance in the day-to-day life of these countries' citizens, in areas ranging from the quality of potable water to foreign policy. The enlargement policy has continuously evolved; though it remains a crucial source of domestic change for enlargement countries in the Balkans. Using a cross-country approach and employing a process tracing methodology, this thesis tries to assess the width of domestic changes in governance in the chosen case studies.

These cases draw on Schimmelfenning and Sedelmeier's external incentives model, which employs the logic of consequences and generally explains attitudes towards rule adoption in enlargement countries. The key claims are that the higher the political costs of adopting good governance regulations, the lower the possibility of adopting them, and vice versa; the lower the adaptation costs the higher the possibility of adopting good governance regulations and vice versa; the higher the credibility of EU conditionality, the higher the possibility of adoption.

The findings reveal that in both countries the impact of EU conditionality on good governance policies, including civil service and anti-corruption policy, is significantly limited. According to Radaelli's interpretation scale, the results show that both countries remain in an absorption stage and lack transformation. Furthermore, the findings are consistent for both countries, regardless of their respective stage of integration. This research evidences that the EU's transformative power depends heavily on domestic conditions in the enlargement country and on domestic conditions of the EU itself, like the willingness to enlarge. The lack of political willingness and political stability in both case studies are identified as two key domestic obstacles to effective transformation. The size of rewards and the lack of

clear risk and penalties from the EU side present two other factors that have a major impact in the EU's transformative power.

The EU's limited success in building good governance systems and integrate the Balkan region could have a negative impact on its claim as a normative power and its foreign policy. The extent of the impact remains an open question for researchers.

## **Abstrakt**

Qëllimi i kësaj teze është hulumtimi i nivelit të ndryshimeve të qeverisjes së mirë si pasojë e politikës kushtëzuese të BE-së në rastin e Maqedonisë së Veriut dhe Kosovës, përmes teorisë së Evropianizimit.

Koncepti i politikës së zgjerimit dhe procesi i Evropianizimit kanë qenë fusha të rëndësishme studimi që nga viti 1990 deri në zgjerimet e fundit të BE-së më 2004-2007. Këto koncepte ruajnë rëndësinë e tyre për shkak të rëndësisë së Unionit në jetën e përditshme të qytetarëve të këtyre vendeve në fusha që variojnë qw nga cilësia e ujit të pijshëm deri në politikën e jashtme. Edhe pse mbetet një burim vendimtar i ndryshimit të brendshëm për vendet e zgjerimit në Ballkan, politika e zgjerimit ka evoluar vazhdimisht. Duke përdorur një qasje ndër-vendore dhe duke përdorur metodologjinë e gjurmimit të procesit, ky hulumtim përpiket ta vlerësojë gjerësinë e ndryshimeve në qeverisje të mirë në këto dy raste studimi.

Këto raste studimi mbështeten në “modelin e stimujve të jashtëm” të Schimmelfenning dhe Sedelmeier, duke përdorur logjikën e pasojave për të shpjeguar qëndrimet e shteteve ndaj adoptimit të politikave të BE-së. Pretendimet kryesore të kësaj teze janë që sa më të larta të jenë kostot politike të miratimit të rregulloreve të qeverisjes së mirë të BE-së, aq më e ulët është mundësia e miratimit të tyre dhe anasjelltas; sa më e ulët të jetë kostoja e përshtatjes, aq më e lartë është mundësia e miratimit të rregulloreve të qeverisjes së mirë të BE-së dhe anasjelltas; sa më i lartë kredibiliteti i kushtëzimit të BE-së, aq më e lartë është mundësia e adaptimit të tyre.

Gjetjet e bazuara në këtë punim tregojnë se në të dy vendet ndikimi i kushtëzimit të BE-së në politikat e qeverisjes së mirë, përfshirë shërbimin civil dhe politikën anti-korrupsion, është dukshëm i kufizuar. Sipas shkallës së Radaelli-t për interpretim, rezultatet tregojnë se të dy vendet mbeten ende në fazën e absorbimit dhe kanë mungesë të transformimit real. Për më tepër, gjetjet janë konsistente për të dy vendet, pavarësisht nga faza përkatëse e integritetit të tyre. Ky hulumtim dëshmon se fuqia transformuese e BE-së nuk mund të sjellë rezultate pozitive si e vetme por ajo varet shumë nga kushtet e brendshme të vendit që është në proces të zgjerimit dhe nga

shumë faktorë të tjerë të brendshëm në BE-së sic është gatishmëria e vet Unionit për t'u zgjeruar. Mungesa e vullnetit politik dhe stabilitetit politik dhe institucional në të dy rastet e studimit, identifikohen si dy pengesat kryesore për një transformim efektiv të politikave. Madhësia e shpërblimeve dhe mungesa e rrezikut të qartë si dhe dënimeve nga ana e BE-së ndaj vendeve të zgjerimit, paraqet dy faktorë tjerë që kanë ndikim në fuqinë transformuese të BE-së.

Suksesi i kufizuar i BE-së në ndërtimin e sistemeve të qeverisjes së mirë dhe integrimin e rajonit të Ballkanit mund të ketë ndikim negativ në pretendimin e saj si një fuqi normative dhe në politikën e saj të jashtme. Shkalla e ndikimit në ato procese mbetet një pyetje e hapur për studiuesit e tjerë.

## Апстракт

Целта на оваа теза е истражувањето на нивото на промени во доброто владеење како последица на условните политики на ЕУ во случајот на Северна Македонија и Косово, преку теоријата на европеизација.

Концептот на политика за проширување и процесот на европеизација се важни области на студии од 1990 година до последните ЕУ проширувања во периодот 2004-2007 година. Овие концепти го задржуваат нивното значење заради важноста на Унијата во секојдневниот живот на граѓаните на овие земји, во области како квалитетот на водата за пиење до надворешната политика. Политиката на проширување постојано се развива, иако останува клучен извор на внатрешни промени за земјите-кандидатки на Балканот. Користејќи прекуграничен пристап и методологија на истражување на процесот, оваа теза се обидува да ги процени промените во однос на доброто владеење во овие две студии на случај.

Овие студии на случај се базираат на “моделот на надворешни стимуланси” на Шимелфенинг и Седелмаер, користејќи ја логиката на последици за објаснување на ставовите на овие земји кон усвојувањето на политиките на ЕУ. Клучните тврдења на оваа теза, се дека колку повисока е политичката цена за донесување регулативи за добро владеење, толку е помала можноста за нивно донесување и обратно; колку помала цената за усвојување, толку е поголема можноста за донесување ЕУ регулативи за добро владеење и обратно; колку поголем кредибилитетот на условеноста на ЕУ, толку е поголема можноста за нивно освојување.

Наодите од овој труд, откриваат дека и во двете земји влијанието на условеноста на ЕУ врз политиките за добро владеење, вклучително и државната служба и антикорупциската политика, е значително ограничено. Според степенот за толкување на Радаели, резултатите покажуваат дека и двете земји остануваат во фаза на апсорпција и имаат недостиг на реална трансформација. Имено, наодите се консистентни за двете земји, без оглед на нивната соодветна фаза на пристап кон ЕУ. Ова истражување докажува дека трансформативната



моќ на ЕУ, како сама не може да даде позитивни резултати, туку во голема мера зависи од внатрешните услови во земјата-кандидатка и од повеќе внатрешните услови во самата ЕУ, како подготвеноста за проширување. Недостатокот на политичка спременост и политичката стабилност во двата студии на случај се идентификуваат како две клучни препреки за ефективна трансформација на политиките. Големината на наградите и недостатокот на јасен ризик како и казните од страната на ЕУ претставуваат уште два фактори кои имаат големо влијание во трансформативната моќ на ЕУ.

Ограничениот успех на ЕУ во градењето на системи за добро владеење и интеграција на балканскиот регион може да има негативно влијание врз неговото тврдење како нормативна моќ и нејзината надворешна политика. Степенот на влијанието врз тие процеси останува отворено прашање за останатите истражувачи.

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## **Key terms**

Western Balkans (Balkan or WB)  
European Union (EU)  
North Macedonia (NM)  
European Enlargement Policy (EEP)  
European Neighborhood Policy (ENP)  
European Neighborhood Instrument (ENI)  
Stabilization and Association Process (SAP)  
Berlin Process (BP)  
Instrument for Pre-Accession Funds (IPA)  
European Administrative Space (EAS)  
Cooperation- Verification Mechanism (CVM)  
World Bank (WB)  
European Reform Agenda (ERA)  
Urgent Reform Priorities (URP)  
Support for Improvement in Governance and Management (SIGMA)  
Public Administration Reform (PAR)  
The United Nations Convention against Corruption (UNCC)  
Council of Europe (CoE)  
Corruption Perception Index (hereinafter CPI)  
Transparency International (TI)  
State Commission for Prevention of Corruption (SCPC)  
Anti-Corruption Agency (ACA)  
Independent Office of the Auditor General (OAG)  
The Project against Economic Crime in Kosovo (PECK)  
National Anti-Corruption Council (the Council)  
National Program for Implementation of the Stabilization and Association (NPISAA)

## Chapter I: Research Background and Relevance of the Topic

The European Union, a political and an economic union of 27 members, has been in continuous expansion since its establishment in 1950. From six countries in 1951, the EU currently has a population close to 500 million and has had six successive enlargements since then:

- 1973: Denmark, Ireland and the United Kingdom joined the European Community (EC)
- 1981: Greece joined the EC
- 1986: Spain and Portugal joined the EC
- 1995: Austria, Finland and Sweden joined the EU
- 2004: In the largest EU enlargement, the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia and Slovenia joined the EU
- 2007: Romania and Bulgaria, joined the EU
- 2013: Croatia joined the EU.

Countries	Status
Albania	Candidate country –waiting to start negotiations
North Macedonia	Candidate country – waiting to start negotiations
Montenegro	Candidate country – negotiating 31 chapters opened, 3 provisionally closed
Serbia	Candidate country – negotiating 14 chapter opened, 2 provisionally closed
BiH	Applied for candidate status in 2016
Kosovo	Prospect of joining when objective criteria are met

Enlargement of the Union has strengthened and stabilized democracy and security in Europe and has helped the continent's potential for economy and trade in a global scale (Fontaine, 2014). Currently, at the time of writing this research, the process of EU enlargement is still going on as there are six Western Balkan countries and Turkey (each at a different stage of development and integration in the European Union) that were offered the perspective of joining the Union. The Union has offered the perspective to these countries upon fulfillment of democratic, political and economic criteria. Thus, the EU through the European Commission directly monitors

the legal, economic and administrative reforms that the countries have to carry out in order to meet the conditions for EU membership.

The Western Balkans road to the EU is in a dynamic momentum and it largely accounts to two main factors including the 2018 European Commission Enlargement Strategy and the 2018 Western Balkans Summit (the first in 15 years). First, the Enlargement Strategy, being the key document of the enlargement process, shows that enlargement is more engaging and proactive as it focuses on core issues including rule of law, connectivity, engagement on security and migration, socio-economic development, digital agenda, and good neighborly relations (European Commission, 2018). Second, the EU Western Balkan Summit, held in Sofia in May 2018, although considered by some as a symbolic gesture mainly, it confirmed the renewed momentum of the EU's commitment to enlargement (Fouere, 2014). After fifteen years, the unequivocal EU support and commitment to the region was reiterated during the Summit (EU- Western Balkan Summit in Sofia, 2018).

This momentum also points to the continuing weaknesses that enlargement countries are faced with. So, it does not only discuss the political willingness of countries to expand the Union, but also specific problems that upon improvement would result in progress towards integration in the EU. Thus, this dynamic momentum only accompanied with the fulfillment of legal, economic and political criteria would result in the expansion of the EU. Given that, it is important to identify the domestic variables under which the reforms would be not only adopted, but also successfully implemented. While, the most important question, both from an academic but also policy perspective, is to what extent are these reforms being successfully adopted and implemented. Within the framework of this question, it is also highly important to draw on the limitations to successful implementation of these requirements, particularly from a theoretical aspect.

Within the framework discussion about the relevance of this research, it is important to note that the EU's credibility as a transformative power is also put into test in the case of the Western Balkans. Particularly, the success or the failure of the EU to successfully integrate the region would have either a positive impact on the EU's foreign policy or would damage the EU's claim as a normative power.



## Introduction

The Western Balkans Summit of Thessaloniki, held in 2003, offered a clear EU perspective to Balkan countries once they meet all the political and economic criteria known as Copenhagen criteria. Whilst, joining the Union was officially set as the highest political priority for Balkan countries and no alternative perspective is considered better. In an effort to move forward in the integration path, since 2003 the region has been undergoing various social and economic transformations that have been beneficial both to the Western Balkan countries, as well as to the Union. In the long-term perspective, this process of integration aims to build societies that are based on principles of rule of law, market economy, protection of human rights, liberal democracy, likewise building the Balkans as equal partners ready to comply with EU *Acquis* and regulations. But, under what framework and how can the Union in a legitimate manner push the countries toward major social, political, and economic transformations, which might be costly for the political elite in charge of adopting the reforms?! Is the normative power of the Union enough to foster these major societal transformations?! Do different domestic variables play a role in such transformations?! All these are legitimate questions posed by scholars and practitioners aimed at assessing and observing the Western Balkans socio-economic and political development and transformation, but also the Union's potential transformative power. In the following sections, this research aims to answer these and other similar questions and to test the hypothesis that this research builds on the basis of existing literature.

EU enlargement is widely discussed and held to be a crucial source of domestic change in the candidate countries including the Balkans. EU conditionality is the key tool at the enlargement disposal through which EU triggers domestic change in various policy areas. In literature, this process of domestic change in the candidate countries is referred to as Europeanization. Thus, Europeanization, Enlargement, and Conditionality are all intertwined as fields of study. Scholars have assessed Europeanization in various policies for the unprecedented enlargement countries of the 2004-2007 rounds (Grabbe, 2005) (Schimmelfenning & Sedelmeier, 2005). One of the most important policy reforms were the ones related to administration. Since,

administration is considered as the backbone of the entire enlargement process due to its responsibilities for the adoption and implementation of the EU *Acquis*. The latter presents one of the three overarching criteria imposed for fulfillment to the enlargement countries, by the EU.

Moreover, to my knowledge, the Western Balkans has not received much attention from scholars and various gaps remain in regards to the Europeanization and the impact of EU conditionality in fostering good governance in this region for a longer period. Thus, this research focuses in this region, particularly in the country case of North Macedonia (hereinafter, NM) and Kosovo. They are chosen because each of them is found in a different accession stage, they share a geographical footprint, and many historical experiences.

The main goal of this study is to understand developments of good governance in the context of EU integration through the lenses of Europeanization theory in both countries. The main research question is to assess to what extent the EU conditionality has induced these countries build good governance. Within the framework of this question, this research also looks at why governments of these countries perform successfully some dimensions of these policy areas while they are reluctant to execute some of their crucial dimensions regardless the EU conditionality. Aiming to answer this question, this research also identifies domestic variables that contribute in each direction. The aim is to convey an understanding of how good governance, in its continuous operation, in these countries is affected by the EU. We are concerned with Europeanization at the national level, focusing on the implications of the EU on governance, as this analysis has defined it and narrowed it down to two key dimensions including civil service and anti-corruption policy. Thus, we demonstrate how conditionality is failing to transform governance, by providing an overview of what the essential conditions of successful norm promotion, credibility and, most importantly, consistency are, and illustrate how these are lacking in the case of good governance conditionality. This research also provides for theoretical explanations of this form of ‘failure’. Overall, the key aim of this research is to find out to what extent we can observe governance change and new practices under the impact of the EU.

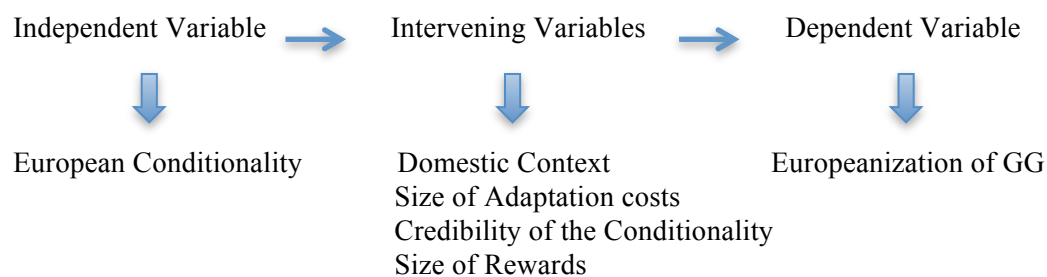
## Research Questions and Hypothesis

The main goal of this study is to understand developments of good governance in the context of EU integration through the lenses of Europeanization theory in the case of the NM and Kosovo.

### Key Research Question:

- To what extent we can observe good governance change and new practices under the impact of the EU?

Aiming to answer this question, this research identifies the independent, intervening and dependent variables, as follows:



With the research aim of conveying an understanding of how good governance in these countries is affected by the EU in its continuous operation, below are also a number of guiding questions:

- What are the key conditions that benefit and hamper the EU's transformative power in the case of NM and Kosovo?
- What legislation and strategies have the WB implemented in terms of administrative reform as a condition by the EU?
- Does the lack of specific *acquis communautaire* in civil service and anti-corruption lead to reluctance to change in WB?
- Do the countries perform better according to international indicators on good governance as compared to Commission evaluations?

- Is there a consistent credibility being used towards WB in regard to developing good governance?
- What theoretical aspects explain the behavior of enlargement countries vis a vis EU conditionality?
- Do the interviewees share similar opinions with the Commission findings and with international indicator assessments?
- Are there any result differences between the two country case studies and why?

### **Hypothesis:**

The higher the political costs of adopting EU good governance regulations, the lower the possibility of adopting them.

The lower the adaptation costs, the higher the possibility of adopting EU good governance regulations.

The higher the EU credibility, the higher the possibility of adopting EU good governance regulations.

## Chapter II: Conceptual Framework: Literature and Methodology

### European Union Enlargement Policy

“Enlargement is both a political necessity and a historic opportunity for Europe. It will ensure the stability and security of the continent and will thus offer both the applicant States and the current members of the Union new prospects for economic growth and general well being. Enlargement must serve to strengthen the building of Europe in observance of the *acquis communautaire* which includes the common policies” (European Council, 1995).

### The EU Neighborhood Policy

The European Union (EU) has two overarching policy frameworks including the European Enlargement Policy (EEP) and the European Neighborhood Policy (ENP). The latter governs EU relations with sixteen of the EU’s Eastern and Southern Neighbors including Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine\*, Syria, Tunisia (south neighbors), and Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine (east neighbors), while Russia is not part of the ENP per se, but is part of the Cross-Border Cooperation activities under this policy. The ENP was first launched in 2003, and it was developed in 2004 and further analyzed in 2011 due to the ‘Arab Spring’ uprisings. As the name itself reflects, the ENP does not aim to bring new members to the Union, but to rather build and keep good neighborly relations with its closest neighbors. As such, the ENP aims to export its values of democracy, human rights and rule of law to its neighborhood countries, while fostering stability, security and prosperity for all countries (European Commission, European Neighbourhood Policy). Another key dimension of the ENP is funding. European Neighborhood Instrument (ENI) has a fund of 15.4 billion euros for a period of 2014-2020 and is the main financial instrument in charge of implementing the ENP (European Parliament, 2014). Almost all of this funding is tailor made to specific countries and used for bilateral cooperation with particular countries. Bilateral cooperation under the ENP refers to an agreed agenda between the two countries, an agenda that entails political and economic reforms, both on the short- and medium term, while serving as a political framework that guides priorities for

cooperation. It is also important to note that the ENP not only does it cooperate with the governments of these countries, but it also works directly with the civil society sector. ENP through civil society tries to build a non-governmental actor, a critical voice, as well as a supporter to the advancement of fundamental policies like rule of law and human rights. Apart from the ENI, the ENP also supports civil society through other instruments and programs like the European Instrument for Democracy and Human Rights (EIDHR), the Non-State Actors and Local Authorities thematic programme (NSA-LA) (European Commission, European Neighbourhood Policy).

Overall, when the historic enlargement of the 2004 took place, the EU external borders were changed, followed by new neighbors in the borders. Thus, in response to the new circumstances created and the new opportunities and challenges that rose, the ENP was established (Commission of the European Communities, 2004). Currently the ENP also supports its neighborhood stability and security while supporting the realization of the objectives that fall under the European Security Strategy.

### *The EU Enlargement Policy*

The EEP comprises and deals with countries aspiring to join the Union. Aspiring countries refers to countries willing to join the Union and able to join the Union in terms of being eligible for applying to become a Member of the Union (European Union, 1992). Article 49 of the Treaty on European Union (TEU) provides the legal basis for countries to apply to become members of the EU. In particular article 49 notes:

*"Any European state which respects the values referred to in Article 2 and is committed to promoting them may apply to become a member of the Union. The European Parliament and national parliaments shall be notified of this application. The applicant state shall address its application to the Council, which shall act unanimously after consulting the Commission and after receiving the assent of the European Parliament, which shall act by an absolute majority of its component members"* (European Union, 1992).

A discussion paper on Kosovo's candidate status (Rexha et al. 2017) aims to deconstruct what elements Article 49 encompasses. According to it, article 49 is

composed of three explicit criteria that each country has to fulfill if it wants to join the Union. The three criteria include the following

1. Each applicant must be a “European State”;
2. Each applicant must respect and uphold values including respect for human dignity, freedom, democracy, equality and the rule of law;
3. Each applicant must satisfy the Copenhagen criteria (EU eligibility conditions). (European Union, 1992) (Rexha et al.2017).

According to Larsen the EEP is a long complex process and represents many challenges to the functioning of the Union as a whole, but also to the Members States themselves (Larsen, J. 2010). The long complex process of enlargement includes various conditions, which are set by EU institutions for countries willing and able to become members of the Union. Thus, when enlargement is discussed, a number of policies from various sectors come to the forefront and are negotiated with these countries. These policies or criteria are related to economic matters, political representation of new countries, legal, judicial and administrative matters, and are organized into 35 chapters that are also known as the *acquis communautaire* or as 35 different policy fields as follows:

Chapter 1: Free movement of goods

Chapter 2: Freedom of movement for workers

Chapter 3: Right of establishment and freedom to provide services

Chapter 4: Free movement of capital

Chapter 5: Public procurement

Chapter 6: Company law

Chapter 7: Intellectual property law

Chapter 8: Competition policy

Chapter 9: Financial services

Chapter 10: Information society and media

Chapter 11: Agriculture and rural development

Chapter 12: Food safety, veterinary and phytosanitary policy

Chapter 13: Fisheries

Chapter 14: Transport policy

Chapter 15: Energy

Chapter 16: Taxation  
Chapter 17: Economic and monetary policy  
Chapter 18: Statistics  
Chapter 19: Social policy and employment  
Chapter 20: Enterprise and industrial policy  
Chapter 21: Trans-European networks  
Chapter 22: Regional policy and coordination of structural instruments  
Chapter 23: Judiciary and fundamental rights  
Chapter 24: Justice, freedom and security  
Chapter 25: Science and research  
Chapter 26: Education and culture  
Chapter 27: Environment  
Chapter 28: Consumer and health protection  
Chapter 29: Customs union  
Chapter 30: External relations  
Chapter 31: Foreign, security and defence policy  
Chapter 32: Financial control  
Chapter 33: Financial and budgetary provisions  
Chapter 34 - Institutions  
Chapter 35 - Other issues (European Commission).

Aspiring countries are obliged to adopt all the regulations and policies that fall under the above-mentioned chapters in order to circumvent any difference that they might have with member states of the Union. The differences between member states and candidates refer to the socio-economic and socio-political levels in both groups of countries. It is important to underline that the final goal is to create a market functioning economy with prosperous growth and to consolidate democratic functioning institutions. Given that, the living standards of candidate countries would be comparable to those of the Union, subsequently they would not present a threat to the EU complex functioning.

The process of adoption, implementation and transformation of societal structures is a long one, as referred above, and a complex one which engages long time frameworks and financial resources. How long the time framework of adoption and



implementation of these policy fields can last, depends on many factors like the capacity absorption of candidate countries, administrative capacity to implement the policies, amongst others. Some policies are more challenging to implement due to their involvement nature of high political and financial costs, while others are more challenging to fit within the context of the candidate country.

Considering the fact that enlargement is a challenging process for the EU to handle, literature has also addressed the question of why to enlarge, particularly the question of legitimacy and justification in the EU's Enlargement Policy. Scholar Sjursen approaches an analytical distinction that includes three categories of arguments a) pragmatic, b) ethical-political and c) moral towards explaining the expansion of the EU (Sjursen, 2003). According to him, in a pragmatic approach the policy decision to enlarge would be defended due to the output it would produce; actors would take decisions based on calculations of utility. The ethical-political approach justification relies on the idea of belonging to a particular community that shares values and the responsibility to share these values because of being part of the community. The third approach -the moral one - notes “ the aim would not be to justify policy with reference to calculations of utility nor with reference to the values of a particular community, but to find justifications that rely on universal standards of justice, regardless of the utility of the policy to the particular actors involved in the decision or the specific values or perceptions of the ‘good life’ embedded in the community outlining the policy (Sjursen, 2003).” According to the author, the first approach belongs more to a rational perspective, while the second and third belong to the logic of appropriateness.

### *Enlargement Policy towards Western Balkans*

In general terms the Commission has confirmed its commitment to enlargement while portraying the region of Western Balkans<sup>1</sup> as one of geostrategic investment in a stable, strong and united Europe based on common values. However, the Commission's commitment to enlarge has not been consistent throughout the years,

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<sup>1</sup>As noted above Turkey is part of the enlargement policy; however, it is not part of this study. Though, it is important to note that at the time of writing this thesis, relations with Turkey have worsened and weakened and are at a standstill situation, thus the Western Balkans remain the only candidate countries. (Bonomi, M and Reljic. Dusan 2017).

thus the credibility of enlargement has also been at stake (Fouere, 2014). Criticism towards the Union's ability to enlarge, prosper and transform has also been present. Particularly, nowadays when the populism right wing parties and eurosceptics are growing in numbers, in Europe. Therefore, the below section discusses the enlargement policy towards the Balkans, while shedding light on the Union's efforts and mechanisms to maintain enlargement at the forefront since the 2003 Thessaloniki Summit. These mechanisms include forums and summits of discussion between EU and Western Balkan key actors, various strategies on enlargement, and financial dedications to fostering reform implementation like IPA. The 2003 Summit is considered a critical point in regards to refocusing attention and efforts to enlargement and reaffirming a European future for the Balkan region, thus it is important to consider all alternations from that point in time. This perspective of looking at enlargement policy through years will provide an insightful view to the enlargement credibility.

#### The Thessaloniki Summit

The 2003 Thessaloniki Summit is considered a momentous of the Union's relations with the Balkans including Albania, Bosnia and Herzegovina, Montenegro, Macedonia, and Serbia. It is important to note that Kosovo was not represented by its head of state as other countries where, but the Special Representative of the UN Secretary General in Kosovo was part of it (EU- Western Balkan Summit in Thessaloniki, 2003). The composition of the Summit was of high political representation and other EU actors included the President of the European Commission, the Secretary General of the Council/High Representative, the Special Co-coordinator of the Stability Pact for South-Eastern Europe and the High Representative for Bosnia and Herzegovina. This Summit served to discuss issues of common interest; exchange of views on major developments in the EU; and most importantly the Union offered an European perspective to the Balkans. At the end of the summit they also agreed on a set of issues including a) the share of common values of democracy, rule of law, respect for human and minority rights, solidarity and a market economy; b) economic prosperity is essential to long term stability and democracy in the region, thus persistent efforts and structural reforms are required to establish functioning market economies; c) organized crime and corruption is a real

obstacle to democratic stability, rule of law, and economic development; d) acknowledging that the Stabilization and Association process (SAP) will remain the policy framework for the European course of the Balkan countries, amongst others (European Commission, 2003). The need for a close co-ordination of the EU with the US on Balkan issues, in addition to continued co-operation with the UN, NATO, OSCE, and other international organizations, was highlighted within the framework discussion of international cooperation (European Commission, 2003). A special emphasis was also put on the necessity to regional cooperation and good neighborly relations.

### The Sofia Summit

The following year, in 2004, the big bang enlargement took place, and later on the 2007 enlargement, both of which pushed an enlargement policy review including its priorities and the conditionality policy. Many have questioned and reviewed the Eastern European enlargement, making the EU learn the lessons from its potential mistakes related to monitoring mechanisms, assessment of progress, and benchmarking mechanisms. Therefore, only 15 years after the Thessaloniki summit did the second enlargement summit took place in Sofia. This was considered renewed commitment to enlargement, since for many years the EU was considered to have neglected the Balkans (Swoboda, 2018). On a comparison note, Europe looked different in this summit due to enlargements round of 2004 and 2007, as well as the single entrance of Croatia in 2013, economic crisis of 2008, spread of terrorism and frequent terrorist attacks across Western Europe, the rise of right wing political parties in Europe, migration waves, amongst others. All these are considered as internal challenges to the region's European integration (Bieber, 2018). All these events have put enlargement into a gloomy mood if not questioned it. Going back to the organization and the discussions that took place in the Sofia summit, the two highlights that portray the lack of a unanimous EU foreign policy include the following:

- ⇒ The boycott of Spanish prime minister due to their stance against Kosovo's independence. The Spain's behavior could be considered as a discouraging signal for Kosovo and it reflects the differences of the Union's foreign policy.

⇒ The decision to refer to states as partners throughout the summit and in the final declaration due to the divisions within the Union in regards to Kosovo's independence. One has to note, that partners cannot be members of the Union, only countries can, leading to a discouraging sentiment for all, particularly for Kosovo.

After the Summit, a joint declaration of the leaders of the EU and of its Member States, in consultation with Balkan partners was concluded (EU-Western Balkans Summit in Sofia, 2018). This declaration has put down 17 points, which relate to commitment by both sides towards ensuring European values and principles like democracy and rule of law, particularly the fight against corruption and organized crime, good governance, as well as respect for human rights and rights of persons belonging to minorities. Similarly to the 2003 Summit, focus was put on regional cooperation and stability, and good neighborly relations. In particular it has been highlighted that the Union is not interested to import any bilateral disputes within its structures (alluded on the bilateral dispute between Kosovo and Serbia). Furthermore, a priority agenda was annexed to the Declaration outlining specific initiatives to boost connectivity like the launch of a digital agenda, launch of a new package of connectivity projects, amongst others (EU-Western Balkans Summit in Sofia, 2018). The EU committed to provide grants worth 190 million euros for 11 high-priority transport projects like roads, rails and ports. In addition, the EU promised to commit to support the region with energy transition to renewable energy sources like hydropower (European Commission- Press Release, 2018).

Overall, it is important to note that during the Summit European leaders, in particular President Donald Tusk empathized that "...I don't see any other future for the Western Balkans than the EU. There is no other alternative, there is no plan B. The Western Balkans are an integral part of Europe and they belong to our community (European Council, 2018)." This declaration expresses the EU's determination to intensify relations with the region and to support the region transform itself. Chancellor Merkel pointed to the economic transition of countries by stating "...in the interest of peace and security for all of us that we have a secure Western Balkans region that is developing well economically (Radio Free Europe - Radio Liberty, 2018)." On the other hand, the other European leader, President Macron gave a more

discouraging enlargement message while noting that the EU must first reform itself before deciding to enlarge and bring in new members. According to him new enlargement should be looked upon with great caution and rigour. This means that the Western Balkan enlargement is therefore as much a challenge for the candidates as it is for the EU. In conclusion, the Summit and the declarations itself sent a signal to the Balkan region that enlargement is not going to happen in the near future, though the Union will remain committed to the development of the region and to its European perspective.

### Enlargement Strategy Documents

Each year the Commission produces a communication for the Parliament and the Council, entitled Communication on the EU Enlargement Policy. In this Communication the Commission identifies the challenges faced by the EEP and provides conclusions and recommendations on where the policy stands in the context of each enlargement country. The last strategy adopted by the Commission was the one on 06 February 2018, prior to the Sofia Summit, and it was entitled “A credible enlargement perspective for and enhanced EU engagement with the Western Balkans” (European Commission, 2018). This enlargement strategy has come at a time when the EU had seemed to lose its interest in enlargement due to a number of issues including the enlargement skepticism voices that have been growing and challenges with migration flows. According to the Spring 2018 Eurobarometer survey, 46 % of EU citizens are skeptical about EU enlargement in the coming years (Standard Eurobarometer 89, 2018). It is important to note, that four years before, in 2014, a vast negative sentiment about enlargement was also spread when Commission President, in his opening statement stated “ The EU needs to take a break from enlargement” (Juncker, 2014). Thus, it seemed that for a long time, political elites in the Balkans have understood it, and they started to follow their own agendas thereby creating space for decision-making, which did not necessarily fall under the European values and did not comply with the European standards.

Moreover, the publication of the strategy sent a positive signal about enlargement, a signal that had been missing for years now. This positive vibe has a two-fold benefit, one is the leverage the EU can maintain toward enlargement countries and the other is

the unexpected enthusiasm among enlargement countries in terms of reforms, which might not last long if it is not accompanied by other benefits (carrots). With the adoption of the strategy it was underlined that the progress along the European path is an objective and a merit-based process that depends on individual country results and the need for the EU to be prepared to welcome new members once they meet the criteria. The strategy was followed by speeches from the President of the European Commission, Mr. Juncker, High Representative/Vice-President Ms. Mogherini, Commissioner for European Neighborhood Policy and Enlargement Negotiations Mr. Hahn, all of which underlined the European perspective of the Balkan countries (European Commission, 2018).

Most importantly, for the first time, the EU in this enlargement strategy gave an indicative date of 2025 for potential accession of Montenegro and Serbia and identified them as frontrunners. According to the Commission, this date is “purely indicative and is based on the best-case scenario” (Enlargement Strategy, 2018). This depicts that the merit-based and individual evaluation approach will be employed throughout the process. The Strategy notes that for Albania and the former Yugoslav Republic of Macedonia, the Commission is ready to prepare recommendations to open accession negotiations. For Bosnia and Herzegovina it notes that with ‘sustained effort and engagement’ the country could become a candidate for accession. In the case of Kosovo, the situation is more disappointing as the Commission notes, “Kosovo has an opportunity for sustainable progress through implementation of the Stabilization and Association Agreement and to advance on its European path once objective circumstances allow (Enlargement Strategy, 2018).” However, it is not further clarified what the objective circumstances mean for the country, leaving it open to various interpretations. Given that, in Kosovo, the strategy has been criticized as being preferential and selective among countries and it has been noted that the best strategy is to allow Balkan countries to join as a package to the EU due to the historical legacy of the region (Reka, 2018).

Furthermore, a credible enlargement perspective is the hand of the enlargement countries themselves, but it also requires continuous support by the Union. Thus, to make the support more concrete the 2018 Enlargement Strategy announced six flagship initiatives that refer to specific actions that the EU will take over in the

coming years to support transformation of the region. The six flagship initiatives include the following

1. *Initiative to strengthen the rule of law:* detailed action plans will be provided to all Balkan countries. Assessment of reforms will be improved including the development of impact indicators, trial-monitoring, case-based peer review missions and advisory missions.
2. *Initiative to reinforce engagement on security and migration:* reinforced cooperation on fighting organized crime, countering terrorism and violent extremism and on border security and migration management; joint investigation teams will further be promoted and status agreements with the European Border and Coast Guard Agency concluded, amongst others.
3. *Initiative to enhance support for socio-economic development:* expansion of the Western Balkans investment framework, supporting star-ups, access to finance for SMEs and R&D; mobilize expertise to support the development of the Economic Reform Programme exercise, and strengthening of the Economic Reform Programme including focus on employment and social reforms; doubling of funds under Erasmus +, amongst others.
4. *Initiative to increase connectivity:* new investment support including increased funding in the field of transport, energy, and digital economy. Better connections will allow for increased competitiveness, economic growth and security of supply.
5. *Initiative for a digital agenda for the Western Balkans:* the development of a roadmap to facilitate lowering roaming costs; support to the deployment of broadband; the development of eGovernment, eProcurement, eHealth and digital skills; capacity building in the digital trust and security in parallel to efforts enhancing the digitalization of industries; support for adoption and implementation of Acquis.
6. *Initiative to support reconciliation and good neighborly relations:* support to transitional justice, missing persons and increased cooperation in education, culture, youth and sport and expanding the scope of the Regional Youth Cooperation Office.

## Berlin Process

Furthermore, it is important to note that while in 2014 Commission President Juncker stated that “The EU needs to take a break from enlargement”, Germany Chancellor Merkel announced the Berlin Process (BP), a high level political dialogue among WB governments and seven European powers including Germany, France, Italy, Austria, Croatia, UK, and Slovenia, aimed at maintaining a momentum of integration. The BP was planned for a period of five years (2014-2018) and its aim was to advance the EU’s agenda in three dimensions including the a) economic growth and connectivity, b) good neighborly relations and regional cooperation, and c) civil society development and people –to-people connectivity. This is also reflected by the initiatives that have come out of the forums held (which will be discussed below) and by the participation of the heads of government, ministers of foreign affairs, and ministers of economy. During this period 2014-2018, five summits were held in five cities including Berlin (2014), Vienna (2015), Paris (2016), Trieste (2017), and London (2018). Each country that hosted the summit was responsible to draft the agenda by focusing on specific policy dimensions, viewed by the respective country as of high importance.

The summit held in Berlin was the first to be considered as a launching event, which set the basis and the general framework for the other summits to follow. During the summit strong political support was shown for the European perspective of the Balkans and a positive momentum for regional cooperation (Final Declaration by the Chair of the Berlin Western Balkans Summit, 2014).

The Vienna summit did put the focus on regional cooperation and solution of bilateral disputes, migration and civil society participation. It is important to note that one of the key topics discussed during the summit was the enhancement of investments in the region. Acknowledgment of progress was noted in rule of law and good governance with special focus on public administration reform, fight against corruption and organized crime, though more efforts were required. (Final Declaration by the Chair of the Vienna Western Balkans Summit, 2015).

The Paris summit decided to focus more on vocational training and youth exchanges.



The final outcome of the Paris summit was the establishment of the Regional Youth Cooperation Office (RYCO). The initiative was build on the 50-year experience of the Franco-German Youth Office cooperation. RYCO activities promote “reconciliation of the peoples as well as programs on remembrance, diversity, intercultural exchange, regional mobility, citizen participation and the promotion of democratic values.” (Final Declaration by the Chair of the Paris Western Balkans Summit, 2016).

The following Trieste summit focused more on SME development and innovation and connecting economies. The outcome of the Trieste summit was the creation of the action plan to develop so-called Regional Economic Area (REA). The REA would serve to consolidate a market of 20 million people and attract investment while generating growth and new jobs (Final Declaration of the Trieste Chair Western Balkan Summit, 2017).

The London summit has put focus on increasing economic stability, strengthening security cooperation, and facilitating political cooperation. To support these objectives the Commission agreed to put forward a guarantee instrument to be launched in early 2019 under Western Balkans Investment Framework (Final Declaration of the London Chair Western Balkan Summit, 2018).

The last summit to follow was the one hold in Poznan city, in Poland. In the summit, the leaders agreed that the BP has demonstrated commitment to achieve a stable, secure and prosperous Balkan region (Final Declaration of the Poznan Chair Western Balkan Summit, 2019). Leaders also reiterated their unequivocal support for the European perspective of the Balkans. They reconfirmed their focus on strengthening fundamental policy reforms including rule of law, fundamental right, and good governance, and they also highlighted the significance of good neighborly relations and reconciliation. This Poznan summit was considered as the last one, to be followed up by a period of reflection in regards to the achievements of the process. For the future of the BP, the leaders discussed the involvement of the BP Parliaments to contribute by organizing a parliamentary dialogue, which would address various policy dimensions. Overall, all the summits and their outcomes seem to build on each other while focusing on regional and economic cooperation and they enabled the launch of initiatives like RYCO and REA.

Furthermore, no matter its peculiarities, EEP through its conditionality policy instrument is viewed as the most successful EU foreign policy. All issues considered, it is important to note that the need and the nature to explain European Integration process began in the 1958, with the publication on “The Uniting of Europe: Political, Social, and Economic Force” by Ernest B. Haas. The debate over what theory, the neo-functionalism or the inter-governmentalism and multi-level governance better explains the European Integration process persists today (Cini & Borrigan, 2013). The former theory implies that national governments shift loyalties to the European institutions, while the latter theory implies that sovereignty and decision-making rests with the national governments. Inter-governmentalist approach views member states as key actors of the European Integration and policy-making. Member states are the ones who shape the integration process to protect their economic interests. Neo-functionalist approach views the supranational bodies like the European Commission, the European Parliament, the European Council as key bodies in creating and shaping the integration process. On the other hand, the multi-level governance approach views the policymaking as cooperation between the member- states, non-state actors, and European institutions (Hooghe & Marks, 2001). In the below sections this research explains the causes of enlargement policy, its consequences and the actors involved in the decision-making of an enlarged Union.

### *Overview of the Financial Dimensions*

One of the most important dimensions of the enlargement policy are financial and technical resources that aid enlargement countries to implement the EU *Acquis*. The financial and technical support is called EU pre-accession funds, precisely the Instrument for Pre-Accession Funds (IPA) and they are considered both an investment in enlargement countries and the EU itself. The IPA builds country capacities, helps them adopt and implement reforms by preparing the countries to take on EU membership obligations (Annual Report on Financial Assistance for Enlargement, 2014). The pre-accession assistance is considered an investment in a) public administration reform, b) rule of law, c) sustainable economy, d) people, and e) agriculture and rural development. The IPA II is planned for 2014-2020 and has a budget of 11.7 billion Euros, while IPA I was for the period of 2007-2013 and had a

budget of 11.5 billion Euros (Overview- IPA, 2018). Both IPAs have a legal basis for functioning. IPA I legal basis expired in 2013 when IPA ended and it offered financial assistance through five channels which are known as components including transition assistance and institution building, cross-border cooperation, regional development, human resource development and rural development. IPA II was established on the basis of the Regulation No 231/2014, which came into force on March 2014 (Regulation EU No 231/2014 of the European Parliament and of the Council).

### *How does IPA work?*

Country Strategy Papers are the documents that provide the frame for financial assistance and they identify the key sectors that are in need for reform and assistance in a particular country. These papers also foresee the results that are planned to be achieved after the intervention and they identify indicators necessary to measure the progress achieved. Apart from the individual assessments, there is also a group assessment named Multi-Country Strategy Paper. This paper identifies horizontal priorities for specific policies and reforms including regional structures and networks, regional investment support, and territorial cooperation including cross-border cooperation programme. The following table shows that financial assistance allocated and the priority sectors in our two country case studies NM and Kosovo.

Table 1 Financial Assistance for North Macedonia and Kosovo under IPA II

Financial Assistance under IPA II (2014 – 2020)	
North Macedonia: € 664.2 million	Kosovo: €645.5 million
Priority Sectors	
Democracy and Governance	Democracy and Governance
Rule of law and fundamental rights	Rule of law and fundamental rights
Environment and climate action	Energy
Transport	Competitiveness and innovation
Competitiveness and innovation	Education, employment and social policies
Social development	Agricultural and rural development
Agriculture and rural development	Regional and territorial cooperation
Regional and territorial cooperation	-

Source: European Commission, Neighborhood, Enlargement, Funding by Country.

The amounts allocated to the country case studies are similar, as well as the sector policy priorities; however, they differ in terms of the amount allocated from other Western Balkan countries, apart from Albania that has been allocated almost the same

amount of €649.4 million. On the other hand, Serbia has been allocated €1.5 billion, which corresponds to the largest amount allocated to the region. Montenegro and Bosnia and Herzegovina have been allocated lower amounts of €270.5m and €237.2 million, respectively. From the reading at the Commissions' web page it is not clear why there are these big differences in terms of financial allocations.

Furthermore, for analytical purposes, it is important to mention that prior to the establishment of IPA on January 2007, there were other pre-accession instruments available including the following:

- The Phare programme which supported institution building actions and related investment in candidate countries.
- The ISPA programme which dealt with all-encompassing environmental and transport projects in candidate countries.
- The SAPARD programme which focus was the support of agricultural and rural development in candidate countries.
- The CARDS programme which was focused on the support participation of the Balkans in the SAPs. The CARDS was considered the keystone of the EU's policy towards the regions of Western Balkans (Former Assistance, 2016).

### *Enlargement Causes and Consequences, and Actors*

#### *Enlargement Causes*

The EU is interested to create a peaceful, politically stable and economically developed neighborhood, from which it could also benefit. On the other hand, the Union would not have been able to benefit from a troubled region; on the contrary, such a neighborhood would potentially cause problems to the Union's functioning. This mainly explains why the Union's strategy is to persuade countries perform sustainable reform and to export values of political stability, rule of law, democracy, market economy, human rights and similar. Furthermore, the EU introduced two new criteria, including protection of ethnic minorities and settling of border disputes, to the list of requirements for enlargement countries (Sjursen & Smith 2004). It has also continuously underlined that it will not "import" any ethnic disputes or border disputes, implying that all enlargement countries have to settle their border disputes,

as well as provide track record of protecting minority rights before becoming fully-fledged members of the Union.

### *Enlargement Consequences*

Within the discussion framework of the EEP, it is important to note that an enlarged Union is also faced with various challenges ranging from power sharing to budget allocations. Normally, a Union with a smaller number of actors would pursue a different, if not easier, policy-making procedure. More EU members reflect more members with different political systems, particularly those of small countries (Larsen 2010). To begin with, enlargement affects the internal balance of power within the Union. Some countries might lose power with each Enlargement, as new members may support different ideas. Secondly, there are institutional implications referring to the bargaining between members' states due to the new Commissioners joining the Union. In addition, the parliament has a higher number of members representing the new Member States that need to be socialized with the functioning methods and the institution. Thirdly, policies present another challenge to the enlarged Union due to different interests among old members and new members. For instance, the agricultural policy, structural and cohesion funds are one of the most disputed policies between old Union members and the East European members since the Eastern members have unproductive agricultural sectors and lower incomes compared to the Union's average creating a situation where tensions related to resource and budgetary allocations arise (Barnes & Barnes, 2004). Fourth, another significant challenge is to integrate and understand the EU political system and this refers to the Europeanization of policies and societal transformation of new members joining the Union. Literature discusses various approaches to Europeanization of policies and political institutions, administrations and other dimensions of state reflecting also various manners and speeds of being Europeanized.

### *EU Actors in Enlargement Policymaking*

The Union has its own policymaking structures, particularly when it comes to Enlargement policy, since diverse actors within the EU have different interests and they have developed distinct roles during the Enlargement process. All of the institutional actors, the European Commission, through its Directorate General for

Enlargement, is the key and leading actor of the Union expansion. On the other hand, the European Council, composed of heads of Members States, has the final say (unanimous vote needed) in terms of acceptance of the application and of opening of accession negotiations. The other institutional actor, the European Parliament has no direct formal powers over enlargement, but it approves the Accession Treaty once it is ratified in the parliaments of all Members States. Thus, the decision to enlarge does not depend only in one type of institutional actor, but it rather presents interactions among all of them. According to the liberal inter-governmentalism perspective states are the key actors in the enlargement policy. They are the ones that have the right to veto accession of new members at all stages of the integration process. Given that, they are in a more privileged position compared to supranational actors. The inter-governmentalists view the Commission's role as one that can only intervene in a way that it does not contradict any of the fundamental national interests of Members States. They argue further that the documents of the Commission are not legally binding and that actual accession negotiations rest in the hands of the Members States. Other schools of thought such as the neo-functionalism and the multi-level governance oppose this view and the scholar debate is ongoing.

### **Europeanization and Conditionality Policy: A Conceptual Overview**

The prominent concept of Europeanization has been an important and a significantly researched area from 1990 up to the 2004-2007 EU enlargements, so has been developed the research about various aspects of Europeanization in the context of Union's eastern enlargement. The concept still continues to be at the attention of many scholars due to the Union's importance in the day-to-day life of citizens ranging from the quality of water they drink to foreign policy. One strand of literature discusses the theoretical development of the Europeanization concept and the challenges of measuring it (Borzel & Risse 2003, Radaelli, 2002, Olsen 2002, Howell, 2002, Mair 2004). Another strand of literature discusses the influence of the EU as an external actor on various policy fields like gender, environment, media, rule of law and similar (Bulmer & Radaelli 2004, Spehar 2012, Kacarska 2013, Harcourt 2003, Featherstone & Radaelli 2003). A different strand of literature discusses the domestic conditions under which EU conditionality has been more effective in changing policies and in other cases limited in bringing change. (Elbasani 2013, Falkner 2003, Featherstone & Radaelli 2003).

The Europeanization literature approaches the concept as a process of change, while there is no one single definition accepted by all scholars (Borzel & Panke, 2013). This concept is not relevant only in academic research, but it has become a concept widely used in the Union and in everyday communication of different EU policies and project structures (Grunhut, 2017). Despite these developments and its far-reaching use we cannot look up what Europeanization means in a dictionary or how only one scholar has defined it and introduce it in this PhD research as a simple definition or phenomenon. It is important to consider various theoretical conceptualizations of Europeanization and to review them critically because concept clarity is of paramount importance for our analytical framework. As Sartori notes concepts without negation are universals: they point to everything, and they may lead to confusion (Sartori, 1970). Conceptualization requires the logic of classification in order to have a clear specific concept before the logic of gradation to operationalize the concept into a measurable variable. Therefore, in the following sections, after defining the term Europeanisation this research will provide an overview of recent Europeanisation studies, and will then try to outline different mechanisms and domestic conditions which are the reason why Europeanisation can be observed.

To begin with, Radaelli (2000) a leading scholar in Europeanization defines the concept as “Processes of (a) construction (b) diffusion and (c) institutionalization of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies (Radaelli, 2000).” The author pinpoints to the importance of change in the domestic policies through a process lead and developed by the EU institutions. Though, in another article published in 2003, the author underlines the danger of Europeanization concept stretching, and suggests each researcher to deal with it and build its own research design. He also makes a distinction between domestic structures and policy being Europeanized. In an attempt to operationalize the concept, and measure Europeanization of public policy, Radaelli draws on four possible outcomes (or directions of policy change), as follows:

1. *Retrenchment*: is a state that produces less “European” national policies. This

outcome indicates having a paradoxical effect.

2. *Inertia*: is a state in which change does not take place. This means that domestic structures do not find EU policies, regulations, models, and standards to be similar or convenient for domestic practice. Thus, delays in transposition of EU *Acquia*, or delays in adoption of specific policies can be present.
3. *Absorption*: is a state of change as adaptation. This means that domestic structures absorb changes, but still the 'core' framework remains the same. This outcome indicates that policy recommendations might be absorbed but the 'logic' of political behavior remains the same.
4. *Transformation*: is a state where the fundamental and core changes take place, meaning that the 'logic' of political behavior also changes (Radaelli, 2003).

Radaelli further notes that these four possible outcomes cover the whole spectrum of possibilities. Given that, it is difficult to draw the fence among them and to decide whether a public policy has been absorbed or transformed. It is important to make the difference between 'coping strategies' to the domestic context and 'deutero learning'. The former refers to coping of policy while the latter refers to a change in belief system, preferences and values that has shown to be more challenging (source: what policy has been more successful).

Olsen (2002) refers to Europeanization as a concept with many faces, a concept that has a more limited usage compared to what its widespread use could indicate. In these lines, the author takes into account the element of change that the concept of Europeanization is bounded with and develops five different meanings of it, as following:

1. *Changes in external boundaries*: understanding of Europeanization through the Enlargement process, in which Europe, as a continent becomes one single political space.
2. *Developing institutions at the European level*: understanding of Europeanization as a process of center building institutions with a collective action capacity and providing some degree of co-ordination and capacity.
3. *Central penetration of national systems of governance*: understanding of



Europeanization as adoption of national and sub-national governance systems to a European political center and European-wide norms.

4. *Exporting forms of political organization*: understanding of Europeanization as an export of its governance system outside Europe as a continent. This implies Europe focusing on relations with other non-European actors and institutions and finding a new place in the world order.
5. *A political unification project*: the degree to which Europe becomes more unified in the context of territorial space and institution building (Olsen, 2002).

It is important to note that these different concepts, by Olsen, complement each other rather than exclude each other. Borzel (2013), a leading academic in the field, provides a more straightforward meaning of the Europeanization concept, while explaining it as interactions between the EU and its member states or third countries (Borzel & Panke, 2013). According to the author, Europeanization can be studied as a bottom-up approach and as a top-down approach. The former perspective analyses how member states and other domestic actors shape EU policies, politics, and polity. The latter approach refers to how the EU institutions impact and shape policies of member states and third countries. In the context of foreign policy, the bottom-up Europeanization approach refers to the uploading of national foreign policy preferences to the EU level and the top-down Europeanization approach refers to the downloading of policy models and ideas from the EU level, particularly from the EU's Common Foreign and Security Policy to the national level (Muller & Alecu de Flers, 2010).

Other scholars like Howell consider Europeanization as a concept that in some cases is used narrowly to refer to implementation of EU legislation or more broadly to capture policy transfer and learning within the EU (Howell, 2002). This discussion of the concept points out the enormous array of changes that Europeanization can be bounded with, ranging from a specific policy (example a law on protection of trees) to the culture of conducting public policymaking. Furthermore, in one of the earliest studies about Europeanization, the concept has been defined by Ladrech as

*“an incremental process and economic dynamics become part of the organizational logic of national logic of national politics and policy making”* (Ladrech, 1994).

The Ladrech concept of Europeanization does not underline if the process is a top-down or a bottom-up one, but it rather focuses on the dimension of change that the concept is delimited with. To sum up, a common denominator in most usages of the concept is the observation of the degree of change. This degree of change can be brought by supra-national structures to domestic structures, or from national structures to supra-national structures.

Naturally, Europeanization field is closely linked with European Integration studies, but how different is one concept from other? Or how different is the concept of Europeanization from the concept of Policy Diffusion? In our search key term, the term Europeanization mainly co-occurred with European Integration, rather than with policy diffusion. A simpler understanding and discussion of the concepts might imply alike meanings of the three concepts as they all entail the element of change, be it institutional or policy. However, policy diffusion research considers it to be a process in which “policy innovations spread from one government to another”, thus this being a concept similar to policy learning rather than to Europeanization (Cerna, 2013). According to Shipan and Volden, policy diffusion takes place through four mechanisms including (a) learning from earlier adopters, (b) economic competition, (c) imitation, and (d) coercion (Shipan & Volden, 2008). These four mechanisms differ from Europeanization mechanisms (as will be elaborated below), particularly in terms of conditionality. While the Europeanization mechanism is closely linked with the conditionality policy, policy diffusion is not. For instance, the first mechanism on learning from earlier adopters notes that once a policy has been successful in one country, another country might also implement it on its own willingness and ability (both in terms of financial aspects and technical capacities) and without any pressure coming from another government or any supranational institution. The second mechanism of economic competition refers to positive economic spillovers across jurisdictions (policymakers consider the economic effects of adoption). Third, imitation that sometimes is referred to as emulation refers to copying the actions of another government to ‘look like the other’. The fourth mechanism discussed in the research is coercion, which is different from the other three. Countries can coerce

each other through various trade agreements either directly or through international organizations (Shipan & Volden, 2008).

Moreover, European Integration is a broader concept when compared to Europeanization. Research identified European Integration as the independent variable, which influences the agenda of Member States, while Europeanization is the transformation of a 'variable' at the national level. Essentially, this change at the national level entitled as Europeanization is an effect of European Integration (Jacqout & Woll, 2002). Other scholars argue that Europeanization should be considered as a stage in the development of EU integration (Coman, Kostera, & Tomini, 2014). This difference does not allow for their interchangeable usage in any discourse, unless a scholar's research design defines it differently.

#### *Domains of Europeanization*

In the theoretical framework discussion of the Europeanization concept, another important question is raised up –what can be Europeanized in a country and to what extent? As shown in figure 1 Radaelli distinguishes domains of Europeanization between 'macro-domestic structures', 'public policy', and 'cognitive normative structures' and the four directions of policy change discussed in the above section (Radaelli, 2003).

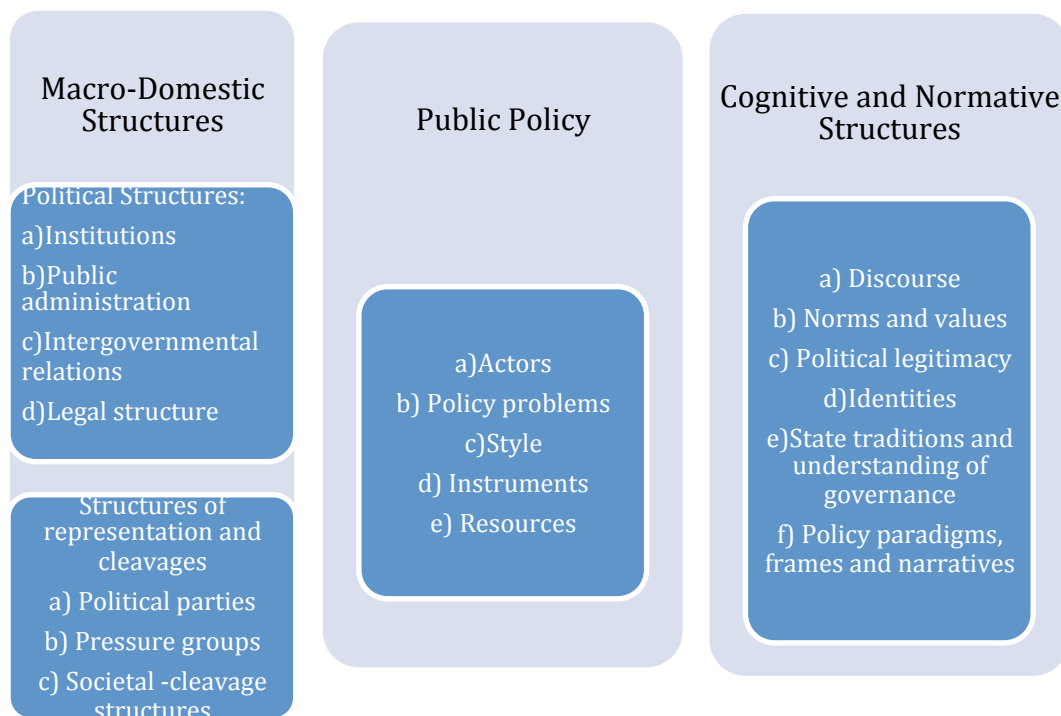


Figure 1 Domains of Europeanization according to Radaelli  
Source: Radaelli (2003)

As shown in figure 2, research conducted by Borzel and Risse, distinction is drawn among policies, politics, and polity as three dimensions along which domestic impact of Europeanization could be analyzed (Borzel & Risse, 2003).

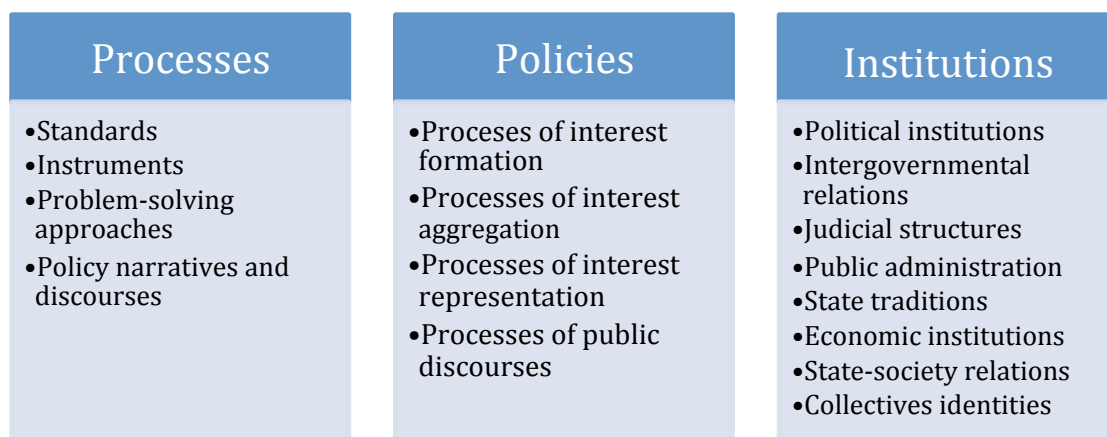


Figure 2 Domains of Europeanization according to Borzel and Risse  
Sources: Borzel and Risse (2003)

It is important to note that the dynamics of policy change (discussed above as the essential element of the concept) are still rather complex, and policy implementation may be poor, thus it is important to examine the challenges of implementation across

various policy areas and to understand factors behind various interactive processes. While policy implementation is poor, the desired results from the policy change lack. In this vein, Payne argues that only looking for general solutions and not acknowledging the particular context can lead to incoherent implementation efforts (Payne, 2008).

### *Mechanisms of Europeanization*

Furthermore, after the concept of Europeanization and the dimensions of change have been discussed above, the next section is concerned with potential mechanisms of Europeanization. Thus, the question raised is: how and to what extent does Europeanization take place? Within the framework of this question, below we review the mechanisms of Europeanization that have been researched by other scholars. Schimmelfenning and Sedelmeier (2005) build three explanatory models in regards to domestic change including

*(A) External incentives model:* rationalist bargaining model, which employs the logic of consequences in which actors are the utility-maximizers;

*(B) Social-learning model:* logic of appropriateness model, which assumes that actors involved are motivated by internalized identities, values and norms. It is argued that in this model legitimacy of the rules and the appropriateness of behavior are much important than rationalist model where actors bargain about conditions and rewards;

*(C) Lesson drawing model:* assumes that non-EU members adopt EU rules without EU incentive or persuasion.

These models draw upon different mechanisms of Europeanization and the conditions under which third countries adopt EU policies (Schimmelfenning & Sedelmeier, 2005). These models are discerned in two dimensions, as follows:

- a) Europeanization process being an EU driven process, and
- b) Europeanization process being driven domestically.

The former refers to rule adoption in those cases where policies would not have been adopted if the EU would not had pushed them forward. According to the authors, 'the external incentives model' being a rationalist bargaining model employs the logic of consequences and generally explains the rule adoption behavior of non-member states

(in their case study of Central Eastern European Countries; henceforth CEEC). The rationalist bargaining model depicts actors as utility-maximizers trying to maximize their own benefits (Schimmelfenning & Sedelmeier, 2004). Basically rationalists explain decision-making in terms of the logic of consequences that shows that actors will comply with the rules if adaptation costs do not exceed the promised benefits. Thus, this model follows a strategy of conditionality in which the EU sets the rules and the countries that want to advance in their EU path with the final goal of joining the Union, have to comply with the rules. However, in practice this becomes more complicated as interests of the domestic country government are not always in line with those of the EU, due to different benefits and adaptation costs. The domestic country government wants to optimize its well-being in an environment of domestic pressure, EU pressure, and other international pressures. Based on this model analysis the hypothesis is that a third country adopts EU rules if the benefits of EU rewards exceed its adaptation costs. However, the cost-benefit balance of the conditionality and the rewards depend on several factors like (i) determinacy of conditions, (ii) the size and speed of rewards, (iii) the credibility of threats and promise, and (iv) the size of adoption costs (Schimmelfenning & Sedelmeier, 2004). This given, the domestic government adopts rules under a set of conditions. It is also important to note that these conditions set by the EU are subject to change depending on bilateral relationships between EU and the third country, and present an evolving process that is highly politicized (Grabbe, 2001).

Central to understanding of top-down Europeanization is the “goodness of fit” criterion between domestic institutions, policies, and politics, on one hand, and European policy, politics, and institutions, on the other hand (Risse, Cowles, & Caporaso, 2001). This criterion argues the need for domestic situation to be different from EU *acquis* to be adopted in order for Europeanization to take place. The difference between these two levels determines the degree of pressure for adaptation (or otherwise referred to in the literature as ‘adaptational pressure’) generated at the EU level (Borzel & Risse, 2003). Thus, the lower the compatibility between European and domestic processes, policies, and institutions, the higher the adaptational pressure generated by the EU. The adaptational pressure is a necessary but not a sufficient condition for expecting change. The second criterion is that there are some facilitating factors – be it actors, be it institutions – responding to the adaptational pressures, thus

inducing change.

From a rationalist institutionalist perspective (following the logic of consequentialism), the existence of the 'misfit' between EU policies and domestic country policies provides all actors with new opportunities and constraints in the pursuance of their interests. Research identifies two mediating factors of this with opposite influence, as follows:

- ⇒ First, identification of veto power as one crucial dimension of policy change; since, the existence of multiple actors with veto power in a country can lead to increased resistance to change due diverse interests of actors.
- ⇒ Second, the existence of formal institutions might provide actors with material and ideational resources to exploit new opportunities leading to an increased likelihood of change.

From sociological institutionalist perspective emphasizes (following the "logic of appropriateness") in which European policies do not resonate well with domestic norms and collective understandings, they identify two mediating factors, which result in the internalization of new norms, as follows:

- ⇒ Change agents or norm entrepreneurs who mobilize in the domestic context and persuade others to redefine their interests and identities.
- ⇒ A political culture and other informal institutions exist, which are conducive to consensus building and cost-sharing.

In sum and following a rationalist institutional logic, we can conceptualize the adaptational pressure or the degrees of misfit emanating from Europeanization as providing new opportunities for some actors and severely constraining other actors' freedom of maneuver. On the other hand, the sociological institutionalism suggests that Europeanization leads to domestic change through socialization and collective learning process resulting in norm internalization and the development of new identities.

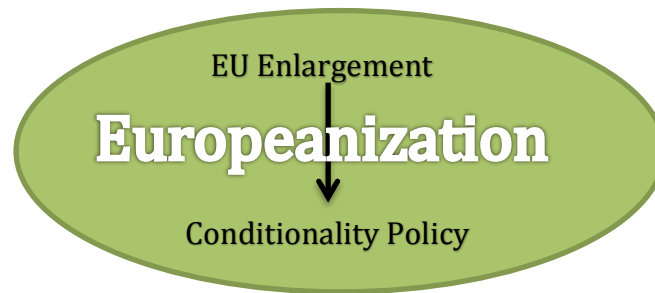


Figure 3. The concept of Europeanization: Degree of change in the domestic policy  
Source: Author's compilation based on readings

### *European Union Conditionality Framework*

We have discussed about the EU conditionality, so what are the conditions we are writing about? These conditions present a set of conditions set by the European Commission at the Copenhagen European Council in 1992 to integrate CEE into the Union (European Commission, Accession Criteria, 1992).

#### I. The Copenhagen Conditions (1992)

The Copenhagen conditions are grouped into three categories:

- (A) *Political Criteria*: stable institutions guaranteeing democracy, rule of law, human rights and respect for and protection of minorities;
- (B) *Economic Criteria*: a functioning market economy and the capacity to cope with competition and market forces in the EU;
- (C) *Acquis*: the ability to take on and implement effectively the obligations of membership, including adherence to the aims of political, economic and monetary union (European Commission, Membership Conditions, 1992).

The *Acquis* is a dynamic concept as the body of legislation changes and grows through time. This category entails an evolving set of demands. According to Grabbe, the term *Acquis Communautaire* refers to “the whole body of EU rules, political principles and judicial decisions, which new Member States must adhere to, in their entirety and form the beginning, when they become members of the Communities” (Grabbe, 1999). The two other categories include also concepts like democracy or capacity to cope with competition, highly arguable concepts and, so difficult to measure. This given, these conditions present a ‘moving target’ for countries aiming



to join the Union and they imply a stronger position during negotiation processes for the EU. Furthermore, these conditions were designed to minimize the risk of new entrants becoming politically unstable and economically burdensome to the EU. Grabbe underlines that the accession criteria are very broad and open to interpretation, and particularly the candidates' 'ability' leaves room for different interpretation by the EU side as to when a country is ready or able to join the union (Grabbe, 1999). In this view, readiness and ability can be subject to political interpretation of the member states.

Grabbe further investigates five mechanisms used instrumentally by the EU to effect change through conditionality, as follows:

1. Models,
2. Money,
3. Benchmarking and monitoring,
4. Advice and twinning, and
5. Gate keeping (access to negotiations and further stages in the accession process) (Grabbe, 2005).

### *Models*

Models refer to the provision of legislative and institutional templates provided by the EU. Legal transposition and harmonization of the EU *Acquis* are central to the accession process and for preparing candidates to join the EU. The pre-accession process is affected by the top-down approach, since candidates are obliged to download EU models and templates that are included in the *Acquis Communautaire*. According to Grabbe, this process is characterized by an asymmetrical interdependence due to the weak bargaining position of candidate states. This mainly accounts to candidates insignificant economic power that they have to offer in return.

### *Money*

The EU is the biggest donor, both in terms of financial aid and technical assistance, in the Balkans (European Union External Action- Factsheet, 2017). The IPA is the means by which the EU supports the Balkans to perform political and economic reforms resulting in positive developments in the region. The IPA II (2014-2020) has

a budget of € 11.7 billion, € 3.9 billion of which are national programmes dedicated to the Balkans, and € 3 billion are dedicated to multi-country funds. It is important to note that the second phase is build on the results of IPA I (2007-2013) which has also supported political and economic reforms. Around 70% of the support to the region is provided in view of EU accession and socio-economic and regional development (European Parliament –CONT Committee, 2018).

#### *Benchmarking and monitoring*

Benchmarking and monitoring are crucial mechanisms of the EU conditionality policy. Compared to the Eastern Enlargement, the EU has put more focus on the benchmarking and monitoring mechanisms toward the Balkans. In particular, providing track record of implemented laws and improvement of institutional and administrative capacities was set as a requirement. The mechanism of benchmarking was developed for Romania and Bulgaria in the post-accession period, and now it is being implemented for each chapter of the EU *Acquis* under negotiations (TEN Network, 2018). The aim of the benchmarks, on one hand, is to support the candidate countries while establishing more specific requirements, and on the other hand, to facilitate the process of assessment of progress/regress achieved.

#### *Advice and twinning*

The twinning programme was established in 1998 to support candidates build up their administrative and institutional capacity (European Commission -Directorate General Enlargement, 2005). The programs consist of workshops in the EU member states, expert missions and study visits, which are used to provide assistance to civil servants, judiciary, and rule of law authorities.

#### *Gate Keeping*

The EU's most powerful tool is considered to be the access to negotiations and further stages in the accession process towards membership. The movement of a candidate country towards a closer relationship with the EU enables the EU to reinforce other mechanisms of Europeanization to the candidate country, such as transfer of models and benchmarking, since the EU can attach specific conditions to particular stages in the accession process. The rewards are more visible and tangible during this stage, compared to other phases.

## II. The Madrid Criteria (1995)

In December 1995, the Madrid European Council introduced an additional administrative criterion, requiring substantial administrative reforms in the enlargement countries. These criteria have increased further the number of requirements for the enlargement countries and are equally important to the Copenhagen criteria. During the Council meeting, countries were required, apart from fulfilling the Copenhagen criteria, to establish and consolidate their administrative and judicial structures, so that they have the ability to implement the *acquis communautaire*. According to Dimitrova a different ‘enlargement acquis’ has been established due to the new requirements for horizontal administrative reform, regionalization, reform of the judiciary, ethnic minorities’ rights, and border treaties (Bernard & Dimitrova, 2007). It is important to note that though there is no *acquis communautaire* for setting standards of administrative criteria for enlargement countries to fulfill, a general consensus was reached on key dimensions and key principles for public administration shared by EU member states with different legal traditions and different systems of governance (SIGMA, 1999). Each of the enlargement countries should respect the principles of the European Administrative Space (EAS) to have effective, efficient, responsive, service-oriented, competent and responsible public administration.

In the framework discussion about administration functional structures, a merit-based recruitment process including civil servants’ professional experience, educational background, technical skills, and communication skills are crucial. A representative civil service is another key dimension, particularly in the context of WB (diverse societies composed of other minorities). The extent to which an enlargement candidate country adheres with these public administration principles gives an indication of the capacity of its national public administration to effectively implement the *acquis communautaire*, in accordance with the criteria made explicit by the European Council in Copenhagen and Madrid.

## III. The Nature of Conditionality

Enlargement policy is viewed as the most successful EU foreign policy that has given the EU the opportunity to change the conditionality in different stages of accession. As Gateva explains EU conditionality has an evolving nature, which demonstrated a gradual expansion and specification of EU conditions during the four stages of the so-called stage-structured conditionality model including:

- a. pre-negotiation stage,
- b. negotiation stage,
- c. accession stage and,
- d. post-accession stage.

These stages of the process are not formally set by the Union, but when analyzing the entire process of accession and conditionality these stages are viewed as turning points. First, the pre-negotiation stage begins with the formal agreement of the European Council on the membership of the potential candidate country and ends with the start of accession negotiations.<sup>2</sup> Second, the negotiation stage is characterized with intensified negotiation relations between the EU and the candidate country. This stage was marked by country specific conditions or otherwise referred to as targeted conditionality based on country context. Third, accession stage includes the period after the conclusion of the membership talks and before the formal accession of a country to the Union. During this stage the signing of the Accession Treaty also takes place. Fourth, the post-accession stage takes place after the country enters the Union, although its timeframe is difficult to assess. In the case of the country of Bulgaria and Romania the post-accession stage was three years. Given that, the countries had to comply with additional benchmarks as set by the EU within the timeframe of the three years, before becoming fully-fledged EU members. However, this period is not very effective in terms of compliance. As Gateva (2015) notes “the absence of accession advancement rewards combined with toothless explicit threats for sanctioning non-compliance produce very weak negative incentive structure which undermines the effectiveness of post-accession conditionality.” Furthermore, during the post

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<sup>2</sup>Although making a formal application for EU membership is considered as the first step of the accession process, the EU’s experience with the ongoing round of enlargement does not indicate to such formal step, but rather the membership perspective offered is considered same.

accession period, for the first time, the EU established the Cooperation- Verification Mechanism (CVM) for the purpose of supporting and monitoring the countries of Bulgaria and Romania undertake key reforms in the areas of fight against corruption and judiciary.

Literature also reviews the limits of conditionality, successful conditionality transformation stories, and cases where conditionality was viewed as an impediment to integration (Schimmelfening 2011, Bernard & Dimitrova 2007, Elbasani 2013, Grabbe 2005).

### **Unpacking the Concept of Good Governance**

The EU, in order to ‘*foster peace, stability and prosperity*’ in its immediate backyard- the Balkans, has in a persistent manner through its enlargement policy tried to export good governance (Borzel, 2010). Similar to the EU, other international organizations like the World Bank and the OECD continuously promote good governance in third countries. According to scholar Borzel, the EU has been among the first Western states or international organizations to write about good governance and to include it into its agreements with external partners (Borzel, 2008). In light of these developments, this concept has gained greater importance in both academic and policy community, though consensus on the definition is still lacking. This approach to the concept remains elusive in terms of what objectives or principles the concept entails. Governance as opposed to good governance is generally understood as a process of decision-making or as rules and behaviors that affect the way in which powers are exercised (Commission of the European Communities, 2001). Though, as Keefer notes “there is no agreed definition of governance that would provide a convenient device for organizing the literature (Keefer, 2009).” Same view is hold in relation to the concept of good governance, though the term has become a catchy shorthand way to describe institutions and is widely accepted in the public discourse. The first note to the concept is the normative dimension it brings out. According to Schendlzle, it is the normative dimension that distinguishes good governance from governance (Borzel, Pamuk, & Stahn 2008). In simpler terms, according to Borzel (2008) “good governance must ensure that the preferences of the people are translated in political decisions.” But, to what criteria or elements does the EU enlargement

policy look at when promoting and monitoring the enforcement of good governance in third countries? How different is the concept of good governance employed by the EU as compared to methodological and development approaches? Is the concept fully developed, what criteria does it entail and how has it evolved in the EU enlargement policy?

In order to employ the concept of good governance in this research, it is necessary to answer the above questions, and, thus unpack its meaning. For this purpose, in the below sections the concept of good governance employed by international organizations is discussed; approaches employed by the EU to promote it are analyzed; a thorough analysis of the concept evolution through years is discussed. 2004 is selected as a starting year of the analysis, as it represents the year when the SAA was for the first time signed with a Balkan country, NM. On the other hand, Kosovo is the last country to have concluded the SAA with the EU, in 2015. Both countries, as will be elaborated below, are subject of our analysis.

### *Good Governance in the Development Policy*

One of the main shapers of good governance in the international arena is the World Bank (WB), according to which *“rule of law- which at its core requires that government officials and citizens be bound by and act consistently with the law-is the very basis of the good governance needed to realize full social and economic potential”* (World Development Report ,2017). It seems that the WB puts rule of law at the heart of good governance. The WB definition of good governance can be traced to 1992, in the report entitled “Governance and Development” where the concept is referred to as “the manner in which power is exercised in the management of a country’s economic and social resources for development (International Fund for Agricultural Development, 1999).” Back in 1997, another international organization, the UNDP has defined good governance as the *“exercise of economic, political and administrative authority to manage a country’s affairs at all levels* (International Fund for Agricultural Development, 1999).” In another UNDP discussion paper, in 2014, good governance is only referred to as one of the essential variables together with democracy and rule of law for sustainable development (UNDP, 2014).

OECD, another international organization, refers to good governance as “*the management of government in a manner that is essentially free of abuse and corruption, and with due regard for the rule of law* (OECD Glossary of Statistical Terms).” OECD further highlights that participation, transparency, accountability, rule of law, effectiveness, equity and similar characterize good governance. The International Monetary Fund (IMF) highlights “*promoting good governance in all its aspects, including ensuring the rule of law, improving the efficiency and accountability of the public sector, and tackling corruption*” (International Monetary Fund, 1997). IMF also points out to two key principles in which it contributes to good governance: a) improving management of public resources like reforms in the civil service, the official statistics functioning and similar, and b) supporting the development and maintenance of a transparent and stable economic and regulatory environment conducive to efficient private sector activities like banking system, price system, and other related regulatory policies (International Monetary Fund 1997).” In an article, the EBRD refers to good governance as “*better policies and more transparency that can improve the business climate* (European Bank for Reconstruction and Development, 2016).” The EBRD underlines that their organization tackles aspects of good governance through policy reform and technical assistance offered to country governments. Their understanding of good governance brings out a concept that emphasizes business and economic related issues.

All these international organizations employ the term of good governance and discuss its promotion in their objectives by highlighting various issues like reforms in rule of law, reforms in public administration, human rights, democracy, accountability, transparency and similar. Overall the concept of good governance in the development policy seems to be understood as a crosscutting variable, one that is tackled through specific policy reforms. It can also be understood as an overarching variable in the sense that good governance can also be applied to all other crosscutting variables. The analysis reveals that the concept of good governance adopted by international development community is a rather broad one.

### ***Good Governance in the EU***

In 2001 with the release of the White Paper on ‘European Governance’, the EU

introduced the concept and has identified the need to improve the European Governance. In this paper the EU does not provide a definition of the concept but it rather lists five principles underpinning the concept including openness, participation, accountability, effectiveness, and coherence (European Union-White Paper, 2001). Each of these five principles applies to all levels of governance including global, European, national, regional, and local and they strengthen democracy and rule of law. It is also highlighted that these principles cannot be achieved unless they are 'prepared and enforced' in a more inclusive manner. Given these principles, the Commission appears to consider good governance as an overarching variable, which applies to all dimensions of policymaking. According to Grzeszczak, although the Commission proposes changes to reform good governance like more involvement of citizens in policymaking in its White Paper, the concept still lacks clarity (Grzeszczak, 2015). On the other hand, these principles put forward by the Commission continue to inform the discussion on governance from a horizontal perspective and they remain crucial (Kohler-Koch & Rittberger, 2006). One should also note that this understanding of good governance seems to be influenced by development policy discussed above or at least has many elements of the concept in common with the development policy approach.

One way of trying to unpack the concept of good governance is by analyzing its promotion within the enlargement policy. Below we flick through mechanisms and/or documents that the EU promoted and monitored the practice of good governance in the Western Balkans. Literature discusses the efficiency of both policy framework approaches toward promoting and enforcing good governance in countries outside the Union (Borzel, Pamuk, & Stahn, 2008). Particularly, the literature discusses the degree of compliance by third countries with EU criteria including the enforcement of good governance. In line with this, conditionality remains a strong Europeanization mechanism that gives the EU significant influence in transferring to the applicant countries its principles, norms and rules. Apart from the EU conditionality (positive), the EU uses also assistance (financial and technical) and political dialogue to promote good governance (Gateva, 2015). But, to what criteria and through what documents is the concept of good governance promoted and/or mainstreamed toward third countries? The attempts of the EU to promote good governance in the region of the Western Balkans can be traced back for longer periods. Though, as noted above, the



below section traces back the usage of the concept of good governance since 2004, when the first SAA was concluded with a WB country - the NM.

### *Good Governance in the SAA*

SAA, being a pre-accession mechanism, presents the Union's policy framework and is designed to foster bilateral and regional cooperation, and is set to assist the enlargement countries adopt the needed reforms. They are tailor-made contractual relations, introduced in 1999. These agreements are concluded only with countries that have an enlargement perspective, and that have already shown credible commitment and progress in adopting democratic reforms, human rights and minorities' protection, as well as economic reforms. The contents of all SAAs in the region cover a huge range of policy areas by assembling all EU demands including the *Acquis*, political and economic conditions. The European Commission on annual basis assesses whether the countries have progressed in complying with political criteria, economic criteria, and the *Acquis*. This report assessment is named after Country Report\*<sup>3</sup> and once they are released they become subject to public debate among political class, civil society and media in the WB. These assessment reports serve as monitoring tools for the governments in the region, in addition to serving the Union take a decision on whether or not to advance a country in its integration path, like signing an SAA, granting the candidate status and similar. Through the signing of these cooperation agreements the Union aims to promote good governance in enlargement countries, amongst others.

Table 2 Good Governance within the SAA frameworks in the Western Balkans

<i>Year the SAA entered into force</i>	<i>Country</i>	<i>Mentioning of Good Governance in the SAA</i>
2004	Macedonia* <sup>4</sup>	No
2009	Albania* <sup>5</sup>	No
2010	Montenegro* <sup>6</sup>	No

<sup>3</sup>Until 2015 they were referred to as Country Reports. Available at [https://ec.europa.eu/neighbourhood-enlargement/countries/package\\_en](https://ec.europa.eu/neighbourhood-enlargement/countries/package_en)

<sup>4</sup>"Stabilization and Association Agreement between the European Communities and Their Member States, of the one part, and the Former Yugoslav Republic of Macedonia, of the other part" Available at [https://eeas.europa.eu/sites/eeas/files/saa03\\_01\\_en.pdf](https://eeas.europa.eu/sites/eeas/files/saa03_01_en.pdf)

<sup>5</sup> "Stabilization and Association Agreement between the European Communities and Their Member States, of the one part, and the Albania, of the other part" Available at [http://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22009A0428\(02\)&rid=1](http://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:22009A0428(02)&rid=1)

2013	Serbia* <sup>7</sup>	No
2015	BiH* <sup>8</sup>	No
2015	Kosovo* <sup>9</sup>	Yes

Source: SAAs for the Western Balkans

Though, as shown in table 1 only the last SAA enforced in the WB, the one with Kosovo does explicitly mention good governance. The concept is referred to in two cases:

- ⇒ *Considering the commitment of the Parties to institutions based on the rule of law, to good governance and democratic principles through a multi-party system with free and fair elections;*
- ⇒ *Cooperation shall aim to promote the principles of good governance in tax matters, transparency, exchange of information and fair tax competition in Kosovo, with a view to facilitating the enforcement of measures preventing tax fraud, evasion or avoidance.*

In the first case it mentions good governance along with rule of law and democratic principles as key basis of achieving free and fair elections. In the second sentence it approaches good governance from a horizontal perspective. The latter approach brings the concept of good governance as one that needs to be mainstreamed in various policy fields like exchange of information, fair competition, and transparency, all with the aim of preventing informal economy. The SAAs with other countries of the WB, although they do not explicitly mention good governance, they all entail various elements relating to fight against corruption, rule of law, administrative capacities, regulatory burdens, tax systems, and similar.

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<sup>6</sup>Stabilization and Association Agreement between the European Communities and Their Member States, of the one part, and the Montenegro, of the other part" Available at <http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2011566%202007%20INIT>

<sup>7</sup>Stabilization and Association Agreement between the European Communities and Their Member States, of the one part, and the Republic of Serbia, of the other part" Available at [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/serbia/key\\_document/saa\\_en.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/serbia/key_document/saa_en.pdf)

<sup>8</sup>Stabilization and Association Agreement between the European Communities and Their Member States, of the one part, and the Bosnia and Herzegovina, of the other part" Available at [http://europa.ba/wp-content/uploads/2015/05/delegacijaEU\\_2011121405063686eng.pdf](http://europa.ba/wp-content/uploads/2015/05/delegacijaEU_2011121405063686eng.pdf)

<sup>9</sup>Stabilization and Association Agreement between the European Union, of the one part, and Kosovo\*, of the other part. Available at [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/news\\_corner/news/news-files/20150430\\_saa.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/news_corner/news/news-files/20150430_saa.pdf)

Furthermore, going back to Country Reports discussed above, it is important to note that their structure has not undergone major changes through years; although, a difference could be noted from ‘Government’ sub-section to ‘Governance’ sub-section under the political criteria chapter, section on democracy, in 2015 Reports. However, this difference is confined only to the title, as the substance of discussion under this sub-section remains the same. The latest 2018 country reports rename the chapter on “Political Criteria” as “Fundamentals First: Political Criteria and Rule of Law”. Prior to 2018 rule of law has only been a section under the political criteria, while now it is highlighted in the chapter name. This naturally shows an augmented attention by the EU on the rule of law dimension of good governance. It is also important to note that this country report approach is in line with the European Enlargement Strategy focus on the principle of ‘fundamentals first’ (European Movement International, 2014). This shifted focus shows that the Commission is ‘learning by doing’ (Cvijic, 2018) and provides hopes for changing the widely discussed EU’s approach of favoring local autocrats in exchange for stability in the region (BiEPAG, 2017).

### *Good Governance in the High-level dialogues between Macedonia, Kosovo and EU*

The EU External Action Service has initiated a list of priority policy reforms for the country of NM and Kosovo within the framework of high-level dialogue. The one for NM is named after ‘Urgent Reform Priorities’ (URP) and the one for Kosovo is named after European Reform Agenda (ERA). These were adopted on the basis of prioritization and on broad consultations with other stakeholders in both countries and are discussed regularly between the parties (EU and the country governments) at the highest political level, twice a year. The rationale behind bringing to the discussion table of a high political level these policy priorities is to increase the likelihood of degree of adoption of these reforms and to also attempt to have a positive impact in the government commitment to reform.

ERA was introduced in Kosovo, in 2016 to support key priorities of the SAA and upsurge the attention of the Kosovo Government on pressing issues, related to the ‘Good Governance and Rule of Law’, ‘Competitiveness and Investment Climate’; ‘Employment and Education’ (European Union Office in Kosovo, 2016). The Commission and the government of Kosovo in close collaboration with other external

actors including civil society have identified these ERA priorities.

URP was introduced in Macedonia, in 2015, to prioritize reforms in the fields of ‘Rule of law and Fundamental Rights’, ‘De-politicisation of the Public Administration’ and ‘Freedom of Expression and Electoral Reform’ (European Commission. Neighborhood and Enlargement Negotiations, 2015). This set of priorities was drafted in accordance with the findings of the Senior Expert’s Group and the yearly recommendations of the Commission.

All WB countries have in place common weaknesses like weak governance, lack of accountability and transparency in governance and deficient justice systems (Reka, 2011). In line with these, high priority dialogues like ERA and URP were introduced, and these weaknesses along with other contextual challenges like freedom of expression in Macedonia were identified for each country. This given, there seems to be a contextual understanding and promotion of good governance in the region by the EU.

Table 3 Urgent Reform Priorities in North Macedonia versus European Reform Agenda in Kosovo

<i>Macedonia</i>	<i>Kosovo</i>
<b>Rule of Law and Fundamental Rights</b>	<b>Good Governance and Rule of Law</b>
Judiciary; Functioning judicial and parliamentary oversight; <u>Independent regulatory, supervisory and oversight bodies; anti-corruption policies and legislation; lustration.</u>	<u>Reviewing and adopting legislation making mandatory the suspension and/or removal of public officials respectively indicted and convicted for corruption; Amending the law on conflict of interest; Ensuring transparency and accountability of political parties funding; Carrying out independent review of the accountability mechanisms and independent institutions, agencies and regulatory bodies; Legislative package for civil service; Transparent, merit-based and non-political selection process for independent institutions; Electronic procurement; Reinforce the capacity of the Economic Department and Fiscal Division in Administrative Department of the Prishtina Basic Court; Strengthen track record on the fight against corruption and organized crime.</u>
<b>De-politicization of public administration</b>	<b>Competitiveness and Investment Climate</b>
<u>Implement Law on Administrative Servants and Law on Public Employees; Principles of transparency, merit, and equitable</u>	Promoting foreign investments; improving the business environment; supporting SMEs development; enhance regional connectivity.

<i>representation need to be entrenched on the employment policies; Impose a moratorium on Implementation of the Law on Transformation on Temporary Positions.</i>	
<b>Electoral Reform</b>	<b>Employment and Education</b>
Finalize the electoral reform; Conduct an audit of the Voter's List.	Adopt and implement sectorial strategy for employment and social policy; Improve quality of education; Improve quality of vocational education.
<b>Implementation of the Recommendations of the Committee of Inquiry into the events of 24 December</b>	
Implement the recommendations of the 2013 Committee of Inquiry as regards the better functioning of parliament and the scheduling of its work.	
<b>Media: Freedom of Expression</b>	
Public service broadcaster; Government advertising; Access to information; Defamation.	

Source: Urgent Reform Priorities and European Reform Agenda reports

In the case of Kosovo, the first pillar is named after good governance and rule of law. Whereas in the case of Macedonia none of the pillars is named after good governance, however the pillar on rule of law and fundamental rights contains similar elements as good governance pillar for Kosovo, as shown in table 3. In the case of Macedonia, there are also elements like freedom of expression, or implementation of a specific recommendation of the 2013 Committee of Inquiry, lustration, and the electoral reform, which are not included in the ERA for Kosovo. On the other hand, ERA includes policy priorities related to education and competitiveness policies, which are addressed in the URP for Macedonia. There is a natural understanding and identification of priorities on the basis of context. In the case of Macedonia priorities listed are specific and address a narrower definition of good governance as opposed to the case of Kosovo where good governance principles are also enshrined in other sectors like employment and education, and competitiveness and investment climate.

### *Good Governance in the Enlargement Strategy*

The Enlargement Agenda covers the six WB countries and Turkey. BiH and Kosovo remain potential candidates, while all other countries had gained the status of a candidate country. Montenegro and Serbia have opened accession negotiations, while with the new Enlargement Strategy; the Commission recommends opening accession negotiations with Albania and NM (Enlargement Package 2016 & 2018). Rule of law,

fundamental rights and governance present the first pillar the Commission notes should be strengthened significantly, followed by building of competitive economies, and resolving of all bilateral disputes. The good governance per se is mentioned only once in the first pillar/section, stating that good governance along with rule of law and fundamental rights remains crucial for the Western Balkans. Rule of law is mentioned twenty-three times throughout the text, fundamental rights are mentioned six times, and governance is mentioned five times. The latter is mentioned in reference to all pillars including economic competitiveness and public administration.

Under the first section of the enlargement strategy one could observe that there is no specific reference to good governance, but rather various policy reforms are discussed including the judicial system, public procurement, corruption, minority rights, equality between women and men, and public administration reform. Governance is seen as a crosscutting dimension that could be applied to all and is prioritized in the context of enlargement. Once comparing the concept employed here with the one employed in the country report, it shows that all aspects addressed under the chapter on fundamentals first in the country report are also mentioned under the first sector of the enlargement strategy. This shows that the enlargement strategy presents a wide understanding of the good governance concept and prioritizes all its dimensions in terms of policy reform.

### **Discussion and Conclusion on the Concept of Good Governance**

The above sections aimed to unpack the concept of good governance employed by the EU in its enlargement policy. The main objective was to deconstruct the concept and to identify specific dimensions of policy reform that the concept entails. For that purpose, the above section has looked at few mechanisms through which the EU promotes good governance including a) the SAA, b) high level dialogue agreements, and c) the enlargement strategy. In addition, we have looked at the concept promoted in development policy in order to see if there are any similarities with international organizations that are considered as main actors to have shaped the concept through time.

Our research shows that the initial conceptualization of good governance in the enlargement policy contains various elements of the understanding of the concept in

the development policy. All international organizations have addressed the concept of good governance in their objectives by highlighting rule of law, public administration, human rights, transparency, accountability and similar. This understanding is a rather broad one, which includes many dimensions and depends on the mission and vision of the international organization. Once the international organization is tackling more economic issues, then the concept of good governance employed addresses issues like tax evasion, informal economy and similar.

One could note that unpacking the concept of good governance in the enlargement policy is rather challenging. In certain mechanisms the concept is not even mentioned although various policy reforms bounded to the concept are addressed throughout all these documents. In the SAAs of all WB countries, the concept was not mentioned in the text of any document, apart from the one with Kosovo. In the context of the enlargement strategy, good governance is understood as a crosscutting variable that could be applied to all policy dimensions and is prioritized in the context of enlargement. A comparison of the enlargement strategy with the country reports shows that all aspects discussed under the chapter on fundamentals first are also discussed under the first section of the enlargement strategy.

However, in the high-level dialogue agreements the situation is not the same. The understanding of good governance and identification of priorities is done on the basis of context. In the case of Macedonia priorities listed are specific and address a narrower understanding of good governance like implementation of a specific law, anti-corruption policy, judiciary, as opposed to the case of Kosovo where good governance principles are also enshrined in other sectors like employment and education, and competitiveness and investment climate. This difference might relate to the stage of accession process, as NM is the first country to have signed the SAA in 2004 and is currently found in a more advanced stage of integration as a candidate country, while Kosovo has only in 2015 signed the SAA and remains a potential candidate. In this case, one could observe that if the country is in a more advanced stage, good governance requirements become more specific.

Overall, there is no one specific definition of good governance employed in the enlargement policy. The understanding and promotion of good governance in

countries that are part of the enlargement policy is observed as a crosscutting concept that differs depending on the context and remains a broad one. Another approach to the concept is also the horizontal and the vertical one. The latter one mainly refers to the concept as a crosscutting variable while the prior approach discusses the concept as one that entails a group of principles that need to be bounded in all policymaking processes in a country. This understanding of good governance leaves ‘open room’ to researchers when studying the concept to select their ‘preferred’ policy dimensions of the concept for further studies. In our analysis we employ the concept of good governance as a crosscutting variable in terms of civil service reform and fight against corruption.

### *Why civil service reform and fight against corruption?*

First, although the EU lacks a specific template on its own administrative systems (Elbasani, 2013) and lacks any directive or legislation on regulation of public administration, the EU continuously puts pressure on the country candidates to reform their administrations. From its early stages of enlargement to the East, the Union realized that administrative capacities were critical to ensure transposition on and especially effective implementation of the growing body of the *Acquis Communautaire* in the candidate countries (Verheijen, 2002). As pointed out by Sedelmeier (2011) several recent studies put administrative capacities on equal footing with political preferences, as the key factor of the pace and success of EU accession. The 1993 Copenhagen criteria did not have any implicit administrative criterion, while the Council of Madrid in 1995 specified that apart from the required ‘abilities’ countries should develop adjustments of their administrative structures (Dimitrova, 2002). The Commission in a more recent study argues “high quality, reliable public services and legal certainty were historically a major precondition for the economic success of today’s front-runner countries” (European Commission, 2010). Thus, the quality and effectiveness of public administration, in particular of civil service, is not only an important factor for the implementation of the *Acquia* and all the requirements deriving from the SAAs signed with the Balkans, but also a crucial factor for economic competitiveness and social wellbeing.

Second, zero policy tolerance against corruption is another cornerstone condition set by the EU toward candidate countries. In all country reports, in all enlargement



documents, in all political dialogues with candidate countries, in almost all EU official speeches directed towards Balkans, and in all financial assistance allocated toward candidate countries there is one key section on good governance and rule of law, both of which refer to fight against corruption, amongst other policies.

In sum, both, civil service reform and fight against corruption remain policy priorities and are identified as key sectors in need for reform in order for enlargement countries to advance in the European path. As studies show there is direct correlation between civil service and successful implementation of the EU *Acquis*, and fight against corruption and successful implementation of the EU *Acquis*. At the same time, the EU has continuously financially supported enlargement countries to perform various reforms in these two dimensions. On the other hand, even in the latest enlargement document produced by the Commission, on February 2018, it is stated “the countries show clear elements of state capture, including links with organized crime and corruption at all levels of government and administration, as well as a strong entanglement of public and private interests (Enlargement Strategy, 2018).” Civil service reform and fight against corruption remain two fundamental reforms that need to be monitored rigorously by the EU and the civil society for a number of reasons; most importantly, successful implementation of the *Acquis Communitares* depends heavily on both of them.

### Methodology

If the substantive content of the EU stimuli and the outcomes of Europeanization were unique, one would merely need to observe the outcomes that are unique to this process in order to safely conclude that process has occurred. However, in reality other domestic or international pressures, apart from that of the Union, could trigger domestic change. This makes cases of Europeanization, cases of equifinality- the idea that there can be multiple paths to the same outcome (Moumoutzis & Zartaloudis, 2016). At the same time this makes research about the EU impact more challenging and worth exploring. Since we cannot isolate the impact of other potential variables on domestic change, this research will establish the causal effect between the independent and dependent variable while using a cross country analysis and employing the methodology of process tracing.

*“Process tracing is a within-case qualitative method that attempts to identify the intervening...causal mechanism between an independent variable... and the outcome of the dependent variable” (George & Bennett, 2005).*

Process tracing will take place for a period of ten years 2008-2018. 2008 is considered a critical juncture for both countries and a period of ten years would ensure more reliable results. 2008 is selected as a starting year for Macedonia because it is an important year when the Council of the European Union came out with a decision “on the principles, priorities and conditions contained in the Accession Partnership with the former Yugoslav Republic of Macedonia and repealing Decision 2006/57/EC” (Official Journal of the European Union, 2008). In this decision special reference was made to public administration reform, in particular merit based recruitment of civil servants. In 2008, Kosovo declared independence and many of international actors’ competences were passed on to newly established institutions (there was an assertion of local ownership), thus this year is considered as the starting year of analysis for Kosovo. From a practical point of view, it is important to note that most of the international indicators and data on Kosovo only has been researched and stored from that year.

The qualitative method will be carried out through desk research and interviews. Desk research includes the review of the following documents:

1. Annual reports by the European Commission
2. SIGMA reports
3. High-level dialogue conclusions
4. Road-maps
5. EU leaders’ speeches addressing these countries
6. Government reports
7. Other country specific documents

These documents will be analyzed by paying particular attention to the chronology of events in order to identify detailed connections between the causes and effects of specific developments. In particular, this research collects the data from the country reports for NM and Kosovo for a period of ten years and uses the five-scale system on

measuring progress/ regress of the respective country from year to year in meeting Commission recommendations, as follows:

- ⇒ backsliding (-5 -1)
- ⇒ no progress (0)
- ⇒ some progress (1)
- ⇒ good progress (2)
- ⇒ substantial progress (3)

Another five-scale system is used for measuring the level of preparedness of NM and Kosovo in terms of being ready to take on membership obligations. This measurement is codified in a five scale system as follows:

- ⇒ early stage of preparation (1)
- ⇒ some level of preparation (2)
- ⇒ moderately prepared (3)
- ⇒ good level of preparation (4)
- ⇒ high level of preparedness (5)

This codification form of the progress/regress and level of preparedness gives us a better picture of the state of play with concrete data. In addition, for the analysis of all these documents during this thesis, we will also use as a primary source the book on “Research Methodology” (Mathews & Ross, 2010).

A collection of relevant existing international indicators that assess the state of play in civil service and anti-corruption, as well the citizens’ perception toward these policies, will be used. These include, but are not limited to the following:

1. Balkan barometer – RCC
2. Transparency International- Corruption Perception Index
3. UNDP perception surveys,
4. World Bank governance indicators.

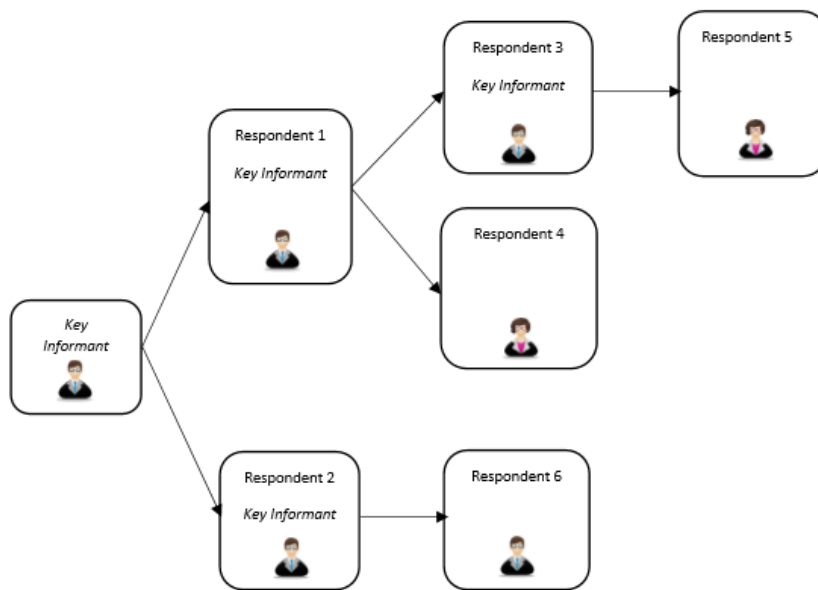
These indicators will be analyzed to check for potential perception related significant changes and measurements throughout a period of ten years (2008-2018).

Moreover, semi- structured interviews will be conducted in both countries with experts, government officials, EU officials, civil society representatives, and academics. Different from the structured interview that has a rigorous set of questions, which does not allow the interviewee to divert, the semi-structured interviews are open. Given that, they allow new ideas to be brought up during the interview. The framework or guide of questions to be made to all interviewers include the following

1. How do u evaluate the PAR, in particular the civil service and anti-corruption through years 2008- 2018?
2. What are the biggest achievements and what are the remaining problems?
3. Are there any preconditions necessary variables for EU external pressure to be effective?
4. What would be the main factors that have delayed or pushed forward the establishment of a professional civil service and effective anti-corruption policy?
5. What is the key incentive or what triggers change in the civil service and anti-corruption policy?
6. What is the role of your institution in the civil service reforms/anti-corruption?
7. How do you view the EU role in these reforms?

The snowballing technique will be employed for the interviewees. Snowballing is a qualitative technique of data gathering with a non-probability sampling. Given that, existing study subjects propose future subjects and the researcher continues with interviews until the proposed subjects are repeated. Snowballing method is entirely based on referrals and this is how a researcher generates a sample. Once the proposed subjects are repeated, it indicates that all relevant stakeholders have already been reached. The below picture illustrates the snowballing technique:

Picture: 1 Snowballing technique



Source: Author's compilation based on readings

At the end of each country case analysis, with the purpose of answering one of our key research questions

➤ To what extent we can observe good governance change and new practices under the impact of the EU?

The interpretation of the degree of Europeanization will be done in accordance with the four possible outcomes or directions of policy change that Radaelli (2003) draws upon as shown in the below table:

Table 4 Interpretation of Results according to Radaelli scale

<b>Retrenchment</b> being a state that produces less “European” national policies.
<b>Inertia</b> is a status quo stage; a stage in which change does not take place.
<b>Absorption</b> is a state of change as adaptation. This means that domestic structures absorb changes, but still the ‘core’ framework remains the same and political behavior the same. Absorption can be low when it is in the first stages and high when it is considered to be in more advanced stages.
<b>Transformation</b> is a state where fundamental and core changes take place (including the political behavior).

Source: Radaelli (2003)

To conclude, results from both country case studies will be compared. The comparative analysis draws on similarities and differences between the countries, North Macedonia, a candidate country, being the first one to have signed the policy reform framework with the EU- the SAA, and Kosovo, a potential candidate, being the last country in the region to do so.

## **Chapter III: Civil Service Reform in the context of EU Conditionality: the case of North Macedonia and Kosovo**

### **Background**

One of the lessons learnt from the Eastern Enlargement (2004 and 2007 round) is the need to have consolidated public administrations in order to be able to implement the EU *Acquis*. Thus, although the 1993 Copenhagen criteria did not have any implicit administrative criterion, and the EU did lack a specific template on its own administrative systems (Elbasani, 2013), the EU constantly put pressure on enlargement countries to reform their administrations. Basically, EU members are autonomous in building their own administrative legal frameworks, and their public

services (SIGMA, 2014). However, according to the SIGMA (2014) report “effective application of EU law and equal treatment of citizens must be ensured.” It is also important to note that SIGMA on behalf of the Commission developed the concept of the European Administrative Space (EAS), in the late 1990s; a concept that notes that public administration in the entire EU system represent principles of “rule of law and hence legal certainty and predictability, impartiality, political neutrality and professional integrity, openness and transparency, legal accountability, efficiency and effectiveness (Meyer –Sahling, 2012).”

Public administrations remain a key horizontal reform because they provide the framework for implementing all other policies. According to the Commission, the importance of having proper administrative capacities in place goes beyond the implementation of the EU *Acquis*. The Commission underlines “high quality, reliable public services and legal certainty were historically a major precondition for the economic success of today’s front-runner countries (European Commission, 2010).” Since, public administrations are responsible to implement all types of policies be it social, political, and economic, its impact and relation to economic development comes out naturally. Surely, the success of economic growth is dependent on a number of other institutional factors and non-economic factors, but the importance of an efficient public administration is significant (Onder & Ulasan, 2016). Other studies also find out that a professional and an impartial public administration is a prerequisite to democracy and economic development (Evans & Rauch 1999, Linz & Stepan, 1996). Research has also shown that a meritocratic system of recruitment in the administration does reduce corruption (Dahlstrom et al., 2012). This being a necessity for improving the trust in institutions in NM and Kosovo and, consequently fulfilling one of the key criteria -zero tolerance policy towards corruption- for paving the EU path.

Furthermore, in addition to the 1993 Copenhagen criteria, in 1995 the EU strengthened them by introducing the Madrid criteria, which focus more on the functionality of public administrations and judicial systems. Knowing the importance of well-developed administrative capacities, in 2014, the Support for Improvement in Governance and Management (SIGMA), a joint initiative of the OECD and the European Union, in close cooperation with the Commission developed and defined

six principles of good public administration as an indispensable criterion for competitiveness and growth. For the first time, the Commission offered a template of how and what should efficient public administration entail in practice. Thus, each country's progress in terms of public administration reform is measured against the following six principles developed primarily by SIGMA:

- The strategic framework for public administration reform;
- Policy development and co-ordination;
- Public service and human resource management;
- Accountability;
- Service delivery;
- Public financial management (Principles of Public Administration, 2014).

Each of these overarching principles has its own principles, which have a designed methodological approach, information sources, and indicators to measure each one of them. Based on these, SIGMA produces monitoring reports for EU candidate countries and potential candidates. In the below section, this research analyses the overall state of play in civil service in both countries.

### **State of Play**

The establishment of a merit-based recruitment system remains one of the most problematic areas of PAR for the Balkan region (ReSPA, 2015). A politicized civil service has an impact in the way the administration is perceived by the public. The latter is essential on building foreign investors trust and on improving the economic situation in the country. As refereed above, a politicized civil service system remains in place, and one key explanatory factor is that the public sector remains the biggest employer in these countries. In addition, the attraction and interest to join public sector compared to the private sector remains rather high due to better payment and job security. In Kosovo, in 2017, the gross average wage in the public sector was 532 Euro, which is rather high compared to the private sector gross average wage 384 Euro (Agjencia e Statistikave te Kosoves, 2012-2017). In NM, in 2018, the general gross average wage was 581 (Enti Shtetror i Statistikave ne Maqedonine e Veriut, 2018). Additionally, the unemployment rate in NM was 20.7% and in Kosovo 30.7%, while it remains challenging to find a well-paid job in the private sector (Enti



Shteteror i Statistikave ne Maqedonine e Veriut 2018 & Agjencia e Statistikave te Kosoves 2018).

Therefore, the elites in power being aware of these realities have utilized their resources to entirely control decision-making processes and to ‘buy’ votes while employing individuals in the administration. These individuals are either affiliated with their political party or have to show willingness to vote their party in the future (Interview with Zoran Nechev, 2020). This form of recruitment presents a threat to the professional status of civil servants (Guy & Pierre, 2003). Furthermore, this is a form of political patronage that is embedded in these administrations and which would merely change without the development of a strong private sector, apart from the successful implementation of civil service related reforms. This form of politicization, where one substitutes merit-based criteria in the selection, retention, promotion, rewards and disciplining of civil servants with political criteria, has become a widespread strategy employed by politicians to control the administration (Peters & Pierre, 2004).

The establishment of a professional civil service should go beyond the EU conditionality, although the only stimulus for change remains in the prospect of joining the Union. To my knowledge and the research conducted there is no other template or best practice when it comes to public administration, in particular the civil service dimension that NM and Kosovo follow, apart from those offered by the EU through SIGMA. Both, the Commission and SIGMA pay particular attention to the civil service principles of merit recruitment and dismissal, and the overall transparency of these processes. These criteria are indispensable toward building a politically neutral civil service. According to Meyer-Sahling “without merit recruitment procedures it is difficult to imagine how other areas of personnel management will function professionally and, indeed, how public administration can operate in accordance with the European principles of administration as developed by SIGMA” (Meyer- Sahling, 2015).

According to SIGMA, principle three, which is the subject of analysis and measurement in this chapter, has one key requirement as follows:

*“Professionalism of public service is ensured by good managerial standards and human resource management practices” (SIGMA, 2014).*

This requirement refers to the importance of recruitment and dismissal of civil servants based on merit and sustainable public services; both being key to implementation of all kinds of policies with a neutral basis to who governs.

This requirement is further deconstructed in several principles for specification and measurement purposes as follows:

- *The recruitment of public servants is based on merit and equal treatment in all its phases; the criteria for demotion and termination of public servants are explicit.*
- *Direct or indirect political influence on senior managerial positions in the public service is prevented.*
- *The remuneration system of public servants is based on job classification; it is fair and transparent.*
- *The professional development of public servants is ensured; this includes regular training, fair performance appraisal, and mobility and promotion based on objective and transparent criteria and merit.*
- *Measures for promoting integrity, preventing corruption and ensuring discipline in the public service are in place (SIGMA, 2014).*

In the below section a separate analysis of civil service in NM and Kosovo is provided with the purpose of answering our research questions.

## **Civil Service Reform in North Macedonia**

### *(De)politicization of the civil service in North Macedonia and the EU's impact*

NM, a candidate country in the EU, is continuously subject to conditionality in relation to establishing a professional and effective civil service from the EU institutions (top-down) and from the civil society (bottom –up), respectively. For NM, this reform is one of the most important dimensions of institution building since its division from the former Yugoslavia, while at the same time it remains one of the

most problematic areas of reform. The country is continuously being assessed as poor in relation to successful implementation of public administration reforms, in particular the de-politicization of the civil service (Commission Country Reports, 2008-2018). A similar view is held by the CSOs who assess administration, with special reference to civil service, as “extremely politicized and used as one of the main pillars of political party clientelism (European Policy Institute, 2017).” A politicized administration in North Macedonia is “...perceived to be a lingering legacy of the socialist regime that the transition to democracy has not managed to eradicate (Analytica, 2011).” This form of the organization of the administration during the Yugoslav times offered fertile ground to the building of a similar tradition in which the administration became the “puppet” of the ruling party. In practice, during the communist regime one did not need to be officially part of the communist party to enter the administration, since party committees were established within the civil service and served as integral parts of the entire system. Not much has changed from 1999 to 2008, as party affiliation remained the key factor for being employed in any sector of the public administration, be it the central administration, independent agencies, education or health system and similar (Analytica, 2011).

Conditionality in relation to building a professional administration has been present since the Copenhagen criteria, and was further elaborated and highlighted in the framework of 1992 Madrid criteria. A more highlighted focus approach was introduced in 2013 when public administration reform (PAR) was constantly being termed as one of the three pillars of the enlargement process, among economic development and rule of law. Given that, the PAR was put high in the agenda of EU accession, under the framework of its political criteria for accession. In this context, the EU has continuously and significantly been engaged in fostering PAR and building a merit-based civil service system in the NM.

NM was the first former Yugoslav republic to prepare a PAR strategy in 1999 to 2010 (Analytica, 2011). This strategy framework foresaw the establishment of legislation such as the Law on Civil Servants, which was adopted in 2000. Later on, in 2008, the Council of the European Union came out with a decision “on the principles, priorities and conditions contained in the Accession Partnership with the former Yugoslav Republic of Macedonia and repealing Decision 2006/57/EC” (Official Journal of the

European Union, 2008). In this decision special reference was made to administration reform, in particular merit based recruitment of civil servants. The requirements include the following:

- a) Implement rigorously the new legal framework, Law on Administrative Servants and Law on Public Employees, fully observing the principles of transparency, merit and equitable representation.*
- b) Employment policies need to follow the principles of transparency, merit and equitable representation in the public service through open procedures. There should be no further employments not respecting the rules.*
- c) Impose a moratorium on implementation of the Law on Transformation of Temporary Positions into Permanent Contracts until the principle of merit is fully observed in the transformation process.*
- d) Provide figures for the total number of public service employees in all government ministries, agencies and other bodies, broken down by sectors.*

The above Council requirements reveal major difficulties with implementation of civil service legislative framework and lack of updated information related to the number of public service employees in the entire administration.

Before going into more substantial analysis of the legislative and policy infrastructure, a general overview of the progress/regress made in the administration reform is provided in the Commission country reports. Figure 4 shows the trend of NM on compliance data with administration requirements deriving from the EU; the data is based on these reports for a period of ten years 2008-2018. In the below sections, this analysis elaborates the changes that took part in the context of EU negotiations and that contributed to have such an EC assessment in place in regards to PAR. It also aims to identify the factors that hampered or prolonged the implementation of reforms.

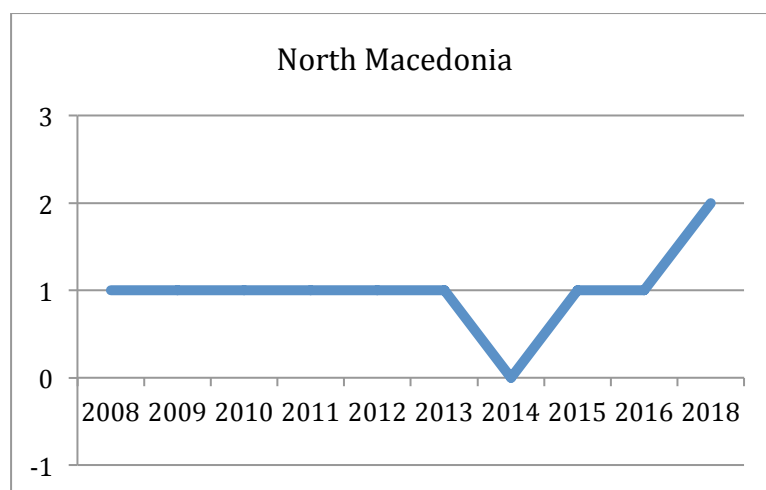


Figure 4 North Macedonian data on compliance with EU administrative requirements (2008-2018)

Source: European Commission Country Reports

The above graph shows that during 2008- 2013 the country has undergone no major changes, as such it remains in a similar state of play with only some progress made within years. In 2014, the EC observes zero progress made in complying with administration related reforms. 2015 and 2016 are assessed as some progress was made indicating that some of the previous year recommendations were fulfilled; while 2018 was the first year in a decade time to have been assessed as good progress made. Below we trace the developments throughout these years to assess the width of reforms in the course of EU conditionality. It should also be highlighted that these reforms shall be put into context, as the reorganization of the administration including reforms in the civil service are a dynamic process that have an impact across all government institutions. Thus, they demand political leadership and effective horizontal and vertical coordination among all government institutions.

Furthermore, in addition to the progress measured in terms of fulfilling last years' country report recommendations, the EU in 2015 introduced a new measurement scale, entitled the level of preparedness in terms of being ready to take on membership obligations. Since the data is available only from 2015 resulting only in a three-year period, 2019 is also included to have a longer period of assessment.

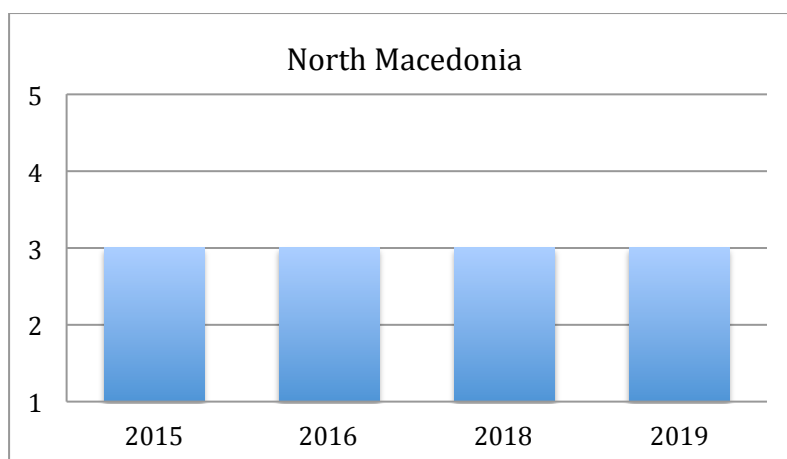


Figure 5 North Macedonia level of preparedness to take on EU membership obligations (2015-2019)

Source: European Commission Country Reports

On a scale of one to five, NM in the last years seem to remain in the same level of preparedness - moderately prepared. This assessment indicates that the country has undergone some changes in administration reform, though a lot remains to be done. It also does not indicate in what particular dimension of PAR they took place. In the below sections, we find out whether and which of these changes pertain to the civil service and what aspects of civil service reform.

*NM organizational structure of the public administration:*

**Table 5 The organizational structure of the public administration in North Macedonia**

Four key institutions designated as civil service management bodies	
(A) Ministry of Information Society and Administration (MISA)	responsible for regulating the legal infrastructure related to public administration, monitoring of the implementation of civil and public servant regulations, classification of job catalogue, managing the civil servants catalogue, development and coordination of HRM policies, and training of civil servants. The Ministry consists of the

	Department on PAR that is responsible for coordination and development of PAR, and of the Academy responsible for preparation and training of civil servants, amongst others. (Ministry of Information Society and Administration, 2019).
(B) Civil Servants Agency (CSA)	CSA in accordance with the Law on Civil Servants maintains horizontal competences for coordination of human resources management by being an initiator of new legislation, watchdog of the implementation of the civil service legislation, and an overall promoter of the improvement of the system. The CSA is a state independent body.
(C) Ministry of Finance (MoF)	MoF is responsible to approve annual administrative hiring plans.
(D) Secretariat for Implementation of the Ohrid Agreement (SIOFA)	required the adoption of the Laws on Civil Service and Public Administration in order to ensure equitable representation of communities and ensures their implementation (SIGMA paper no.55).

### **The 2008-2012 Civil Service reforms in North Macedonia**

Furthermore, in 2008 Progress Report it was noted, “Objective and merit-based criteria are not consistently used in recruitment and promotion” (Commission Progress Report on NM, pg.27. 2008). The report assesses weaknesses in the context of transparency and accountability of the recruitment process of civil servants, including senior management positions. In 2009, the key remaining point of concern

is the politicized recruitment in the entire system of civil service. During that year, a high committee on PAR, chaired by the prime minister was established, to give political priority to the reforms. This committee met every month; however, its conclusions were not systematically and effectively implemented. In addition, no one was held accountable for the lack of implementation of committee conclusions. Thus, with the purpose of streamlining the discussion on administration reforms, a Special Group on PAR was established under the Stabilization and Association Agreement platform, holding its first meeting in September 2010 (Commission Progress Report on NM, pg 28. 2010).

Another major problem highlighted in the 2010 progress report is the high number of temporary positions in the administration. This form of employment was not in line with procedures set in the law and does not guarantee merit-based recruitment and transparency during the process, as required by the SIGMA principles. In addition, there were cases when senior positions were filled with staff under temporary contracts. Overall, politicization of the public service remained a critical problem during this period and the number of public servants was acknowledged to be rather high, though the exact number was not made public by institutions regardless of the requirements coming from the EU and from the civil society. On the other hand, the de-politicization of civil service remained a persistent requirement by the Commission. The only progress highlighted was the adoption of the Law on Public Servants and police reform. The assessed progress with the latter was related with the entry into force of the Law on Internal Affairs that aimed to ensure professionalism and de-politicization of officials in the Ministry of Internal Affairs. As one might note, the only progress reported by the Commission was bounded to the adoption of two laws, while major problems remained with non-merit based recruitment, temporary contracts, ambiguity related to the number of public servants, and performance assessment.

Moreover, a new law was adopted in 2010, the Law on Public Servants (Official Gazette of the Republic of North Macedonia, 52/2010). The Law redefined the status of employers in the public sector, and as such it included all groups of employers coming from public enterprises, funds, regulatory bodies, and other. This law also gave competences to the Civil Servants Agency including “preparation of an annual



plan on fair representation, reports on disciplinary procedures and staff appraisal, training of public servants, and keeping of a public servants registry” (Commission Progress Report on NM, pg.21. 2010).

Furthermore, the government adopted a public administration strategy with an action plan for its implementation (2010-2018). The adoption of the strategy indicated a concrete action by the government to proceed with the reforms in public administration in general. The Commission reported that the political responsibility for PAR remained with the High Committee on Public Administration, led by the Prime Minister (Commission Progress Report on NM, pg 21. 2011). During this year, the managerial and operational responsibility was transferred to the new Ministry of Information Society and Administrative Agency (MISA), while the CSA was transformed into an Administrative Agency (AA) with oversight responsibilities. These changes were considered as positive and driving for PAR reforms. In 2011, the Law on civil servants was also amended to include new aspects of selection and promotion. However, the Commission evaluates that various weaknesses remain in legislation related to recruitment, promotion, termination of contract, and appointment of senior manager positions within the system. On the other hand, the EU asked the government of NM to guarantee merit-based recruitment of civil servants and senior positions, transparent and apolitical principles of appointment through law amendments and successful implementation of the laws (Commission Progress Report on NM, pg 22. 2011). The recruitment process continued to be tailor made to specific candidates and the overall process of recruitment remained prone to undue political influence.

On the same year, the Enlargement Communication Policy came out (2011-2012). The Commission through this Enlargement Communication reiterates that public administration, amongst others, remains a key priority under the political criteria in all enlargement countries. Thus, it calls upon enlargement governments including NM, to address seriously and efficiently PAR related reforms, in particular the establishment of a professional civil service system. Over the years, although the government did commit its rhetoric to rhetoric of change, few real changes took place. In 2012, the Commission evaluated the PAR reforms with progress made only, similar to previous years. Problems with the eligibility criteria for recruitment remained inconsistent in

most cases. The number of staff with temporary contracts remained elusive and official figures were not made public. In addition, the salary system was not unified, while ad-hoc payment allowances continued to be given to public servants without any transparent justification (Commission Progress Report on NM, pg.24. 2012).

“The system of democracy is gradually deteriorating, confusion between politics and administration is rife, and the public administration is further becoming de-professionalized. This renders the public administration unreliable and unpredictable (SIGMA Assessment Report, 2012).” The country was considered to be backsliding in administration, rule of law and democracy. Recruitment continued to be on the basis of patronage and party affiliation, while discrimination on the basis of religion and nationality continued to be cruelest criteria. Albanian community continued to be employed to fulfill the criteria deriving from SIOFA, but once in office they were sidelined (SIGMA Assessment Report, 2012). Despite the fact that the Commission assessed the administration as overstaffed, in 2012 the Government General Secretariat recruited 152 junior civil servants. The hiring process was conducted in contradiction with the law on civil servants and as such they were ‘tailor-made’ for the selected candidates (SIGMA Assessment Report, 2012).

Overall, since the 2008 Council of the EU decision on a set of principles, priorities and conditions to be followed by NM and the pressure put by the EU through the publication of progress reports and enlargement strategy, the process tracing analysis reveals a similar state of play in the civil service throughout a five year period (2008-2012). The key remaining problems include:

- (a) ‘tailor-made’ job positions for politically affiliated people,
- (b) non-merit based criteria for promotion and recruitment,
- (c) high number of temporary contracts,
- (d) translation of temporary contracts to permanent positions without any objective based criteria,
- (e) lack of data related to the overall number of public servants,
- (f) ad-hoc payments allowances continued to be given to public servants without any transparent justification,
- (g) the employment of the Albanian community continued to be done to fulfill the criteria deriving from SIOFA, but once in office they were sidelined.

The limited progress discussed during this period was related to the adoption of the law on public servants and on civil servants, as well as to the reform police through the adoption of the Law on Internal Affairs. This given, there was no real transformation that took place during this five year period, regardless of the EU positive pressure and assistance. One could also not read this situation as a less Europeanized state of civil service or as a status quo situation, since limited progress was made with the adoption of the legislative framework and the adoption of the PAR strategy. To sum up, it is more rational to interpret this period under the absorption stage of the Radaelli scale. This indicates changes in relation to the adoption of legislation, yet ineffective implementation remains. Thus, even that some of the formal rules of a professional civil service are adopted; they do not reach the expected outcomes of a merit-based selection process.

### **The 2013-2018 Civil Service reforms in North Macedonia**

Despite several amendments made to the law on civil servants and the law on public servants, legislation continues to be fragmented and does not provide a framework of unity in the civil service. The 2010 laws on civil servants and public servants were amended in 2012 and in 2013; however, similar problems remained (SIGMA Assessment Country Report, 2013). One of the key remaining problems is that public employee recruitment is subject to different legislation and/ or general labor law, in addition to politicized recruitment and lack of information in regards to the total number of public employees (Commission Progress Report on NM, pg. 22. 2013). Training of civil servants is considered one key aspect of their professional development. The current law provided public servants with the right to professional development and training; however, the law did not provide any mandatory provision on training of civil servants (Davitkovski et al., 2017). In accordance with the Law the professional development of civil servants were planned to be financially supported by the state budget and prepared by the competent agency while approved by the Agency for Civil Servants. However, in practice the Agency did not keep any track record of trainings, and there was no professional development plan prepared by the competent institution leading to lack of law implementation.

Furthermore, the Constitutional Court in Macedonia declared unconstitutional the classification of staff in two sectors including the health and the education one, thus regulation of most of public employees was being based on labor law. In particular, 21% of the public employees were regulated by the Law on Civil Service and Public Service, while 79% were regulated by specific legislation or the labor law (SIGMA Assessment Country Report, 2013). This was considered problematic because it led to various unstructured positions within the civil service; 13 positions were organized in three levels in civil service, while for other public servants hundreds or even thousands of different positions existed but were not classified by legislation. This was not in line with the unitary civil service system as required by the Commission.

Problems with implementation were assessed to be present also with the PAR strategy (2010-2015). For instance, one key aspect of civil service system is the performance appraisal through which one could make a decision in regards to promotion, demotion or training needs. However, this aspect has proven to be meaningless and formal leading to 97% of employees being assessed as top performers (SIGMA Baseline Measurement Report, pg.46, 2015).

A solution to all these problems was considered the establishment of a new legislative framework. Thus, during 2013 the government started to work on a new civil service legal framework by replacing the old framework. The establishment of such a framework was expected to increase the accountability and transparency and to promote principles of merit-based recruitment. As one might observe, it seemed that the failure to Europeanize the civil service led to a new legal framework, but not to specific attempts to tackle concrete problems with the existing legislation. This to an extent indicates a ‘fake political will’ to establish a professional civil service, since the adoption of a new legal framework does not guarantee successful implementation, but it rather delays the entire process. Since the reforms in civil service have high political costs, it was in the interest of the governments who fake the reforms to prolong them in any possible manner.

A rather simple analysis reveals that the North Macedonian public employment legislation has been under intense debate and subject to numerous amendments since its parliamentary adoption in 2000. More precisely, during a 14-year period, the civil

service law has been subject to 26 amendments while undermining the stability of the legal environment (SIGMA Baseline Measurement Report, pg.47, 2015). As mentioned above, the solution to the problems with the civil service was considered the establishment of a new legal framework; thus, the main developments in 2014 include the approval of the Law on Public Service Employees (LPSE) and the Law on Administrative Servants (LAS) (Official Gazette of the Republic of North Macedonia, 27/2014). Both laws entered into force one year after, in 2015, as other by-laws necessary for the implementation were adopted.

The LPSE includes four groups of public employees as follows

- 1) administrative servants,
- 2) officials with special powers (security, defense and intelligence),
- 3) public service providers (e.g. health, education and culture), and
- 4) auxiliary and technical staff.

The LAS includes administrative servants, made up of civil servants (previously covered by the CSL) and public servants.

The Commission assessed these laws as a step forward in building “a unified, transparent and accountable public administration, by introducing common principles to be respected by all state employees and by creating a common regulatory framework” (Commission Progress Report on NM, pg.23. 2014). The new legal framework aimed at increasing transparency also required the publication of data related to the number of public employees at all levels of the administration.

Furthermore, the rampant method of changing and amending civil service legislation was followed even after the enforcement of the new legislation. The new LAS was amended twice in the year of enforcement, 2015, and another two times during 2016, and once in the beginning of 2018 (Law Amending the Law on Administrative Servants 2015, 2016, & 2018). The new LPSE was also amended once in the year of its approval, twice during 2016, and once at the end of 2018 (Law Amending the Law on Public Sector Employees, 2014, 2016, & 2018). This could be observed as an immediate and easy response by the government to ‘fix’ law implementation problems.

The Law on Transformation of Temporary Positions into Permanent Contracts was also adopted during 2015; however, the Commission recommended that this law is reviewed and suspended to meet the principle of merit (Commission Progress Report NM, pg. 21. 2015). This is also one of the priorities listed in the Urgent Reform Priorities (URP) by the Commission for NM. During 2015 the Commission drafted a list of priorities to address systematic weaknesses in the field of public administration, amongst others. These reform priorities were in line with the Recommendations of the Senior Experts' Group on systemic Rule of Law issues and do not exclude any of the recommendations made public in the Commission and SIGMA reports (Urgent Reform Priorities 2015 & Recommendation of the Senior Expert Group 2015). The URP on urgent basis required the government to implement rigorously the new legal framework on public employees, to fully respect the principle of merit in the recruitment process, and to provide reliable data in regards to the total number of public employees broken down by sectors.

Overall, the identification of problems and recommendations from the EU level was being made on the basis of four key documents including

- a) Commission Reports,
- b) SIGMA Report,
- c) URP,
- d) Expert Group Recommendations.

Although, the new legal framework accompanied with its bylaws was adopted, limited progress was achieved toward establishing an independent, impartial and professional civil service. The Commission evaluated that there was lack of commitment to implement last year's recommendations related to the human resources which included the employment of the merit criterion in transforming temporary contracts to permanent contracts, de-politicization of the administration in the context of recruitment, amongst others. Temporary contracts continued to be transformed into permanent contracts without open competition in contrary to what was required by the EU in its yearly report and in the URP. No data was still made available in relation to the number of temporary contracts, though a first report was published in regards to the total number of employees in the public sector

(Commission Country Report on NM, pg.27. 2016). This indicates that the government was only able to adopt the legislative framework, but not to transform the system by successfully implementing the framework it adopted. In addition, there continues to be lack of a unitary system of payment across the administration, leading to inconsistent levels of payment.

Overall, these delays in implementation of the new legal framework and lack of implementation of the last year's report compromises the declarations of commitment to reform by the political elite. In NM, 64% of respondents agree that public sector is the most affected by corruption in 2017, and 57% think the same in 2018 (Balkan Barometer 2017 & 2018), as shown in the below table:

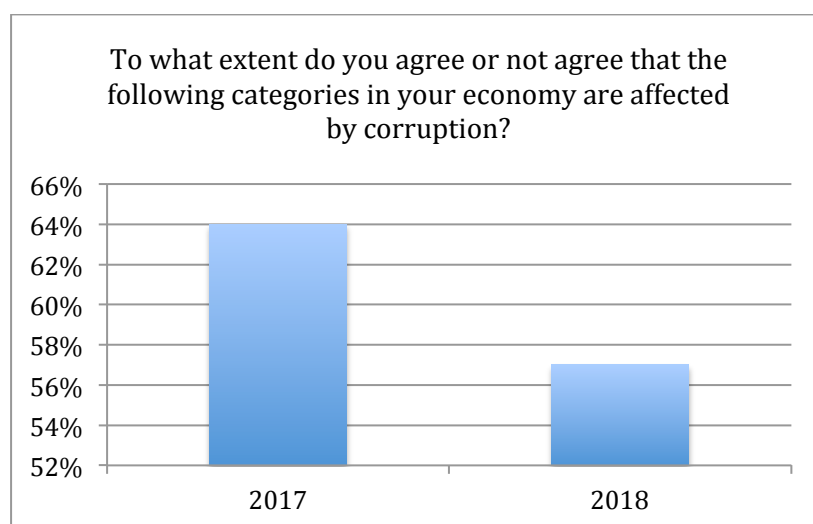


Figure 6 Perception of citizens in North Macedonia that view public sector as the most affected sector by corruption in the economy  
Source: Balkan Barometer 2017-2018

In December 2016, NM held early parliamentary elections; however, it took the country few months until the coalition was formed to vote on the new government (IFES, 2016). These months of negotiations were considered as 'lost months' in the advancement of EU agenda, including the reforms in the civil service. An anticipated change of regime took place in May 2017, and it was considered that a new reform-oriented government took place. Among other major political issues in the waiting line to be solved like the 27-year-old name dispute with Greece, de-politicization of the administration was also one of the policy reforms that needed urgent intervention by the new government.

One of the key and first decisions taken by the new government related to the administration was the dismissal of all public board members and top managers in 85 public institutions on the basis of power misuse and mismanagement of public finance (Commission Country Report on NM, pg. 25. 2018). It was also assessed that the LAS led to some changes in merit-based recruitment and promotion procedures. These changes could have accounted for the highest Commission assessment made in the last 10-year period (as shown in figure 4).

However, the overall picture in the civil service remains blurred and accompanied with many problems. After a decade, according to the EU assessment conducted, major problems within the civil service remain, as follows:

- *“Professional development of public servants is limited to classroom type of training.*
- *A centralized database of the training offered by various institutions is not yet established.*
- *The amended legislation on appraisals does not impose any requirements on the minimal percentages of staff that will be awarded for excellent appraisals or penalized for poor appraisals.*
- *Integrity in the public service is sufficiently regulated, but there is no data available on how integrity mechanisms are implemented in practice.*
- *The remuneration system across the public sector remained non-uniform, leading to inconsistent levels of pay and reduced mobility.*
- *The criteria for appointment of senior management positions are not clearly regulated.*
- *There is a long-standing situation where a large number of state employees is paid without showing up for work (Commission Country Report on NM, pg. 23. 2018).”*

These recommendations portray a civil service with systematic problems in the recruitment process, appraisal of civil servants, promotion of senior civil servants, and overall integrity in the system.

### ***Discussion of Results***



The above-mentioned Commission requirements do not reveal any sign of transformation in the civil service. On the contrary, challenges identified reflect systematic problems with civil service core values like impartiality, integrity, transparency, and impartiality. During this 10-year period, these problems were accompanied with an insecure legal environment due to the rampant practice of law amendment. These frequent legislative fluctuations have undermined the importance of changes in the system. Although, the adoption of the legal framework and its bylaws indicates that the civil service system has not remained in a status-quo stage.

In conclusion, there seems to be enough evidence to accept the below hypothesis

I Hypothesis: *The higher the political costs of adopting good governance principles and regulations the lower the possibility of adopting these regulations.*

II Hypothesis: *The lower the adaptation costs the higher the possibility of adopting good governance regulations.*

III: Hypothesis: *The higher the credibility of EU conditionality, the higher the possibility of adopting good governance regulations.*

The real reforms were postponed due to high political costs for the ruling elites and they were delayed due to the high adaptation costs for the government. The civil service remained in the absorption phase while adopting various legislative frameworks that were both arduous and onerous. Thus, these reform processes did only fake the real reform by doing the talk of the reform, while the real transformation, which in practice equals successful implementation of the reform and tangible results lacks. Tangible results refer to a system of civil service with high values of integrity and independency and where the principle of merit is the basis of the system.

## Civil Service Reform: The case of Kosovo

### *(De) politicization of the civil service in Kosovo and the EU's impact*

#### *UNMIK era civil service*

Like other nations in transition, Kosovo has also been faced with the duty to build institutions from scratch including an efficient public administration. In the framework of the responsibility to build the public administration, the establishment of a neutral and professional civil service remains crucial. The first reforms or the first attempts to establish the Kosovo civil service took place during year 2000, under the auspices of UN Mission in Kosovo (UNMIK). For structural and for comparison purposes of internationally versus locally led reforms, the study of the structure and challenges of civil service, as well as the impact of the EU conditionality, can be studied before 2008 when Provisional Institutions for Self-Government were in place and after the independence in 2008 when an assertion of local ownership took place. As argued in the methodological approach, the period of the analysis is 2008-2018; however, it is important to mention what regulations and laws were in place before 2008, since they have played a role afterwards, as well.

The Regulation 2001/9 that established the constitutional framework for Provisional Institutions of Self-government, for the first time, vested Kosovo authorities with the power to establish the civil-service system (Regulation 2001/9). UNMIK Regulation 2001/36 known as the Civil Service Law (CSL) was the first regulation in place to set down a group of core principles in civil service including a) equity, b) political neutrality c) merit-based recruitment, d) honesty and accountability, e) transparency, f) integrity, g) non-discrimination and h) inclusiveness (UNMIK Regulation 2001/36). The CSL at the time offered a very broad definition of a civil servant by considering “any employee of an employing authority, whose salary is paid from the Kosovo Consolidated Budget” (UNMIK Regulation 2001/36). This definition of a civil servant did not make any difference between the civil servant and the public official, amongst others, which made it harder to effectively manage the system. The treatment in terms of recruitment, promotion, performance appraisal, etc. between these two categories should be different, as it is not suitable to apply the same rules to large professional categories of teachers or police as to those who support services (SIGMA

2008). The CLS included a short Code of Conduct, as an annex, for civil servants, and it established two institutions including the Independent Oversight Board (IOB) and Senior Public Appointments Committee (SPAC). In 2003, administrative direction No.2003/2 implementing UNMIK Regulation No.2001/36 on the Kosovo Civil Service came into force. This administrative direction supplemented the regulation and offered a more detailed picture of recruitment and terms and conditions of employment, disciplinary measures, and career development. However, other issues such as the three-year contract policy remained the same by not offering employee protection and by exposing the system to politicization and nepotism.

In 2007, the first strategy on public administration reform was prepared by the Expert Group on PAR and was launched by the Government. The Strategy had eight objectives including human resources, institutional structures, management in public administration, communication in citizens, e-government, public finance management, anti-corruption, and those related to legislation. In order to aid implementation, the government drafted an Action Plan on PAR. The Department for Civil Service Administration within the Ministry of Public Administration (in charge of public administration reform management) evaluated that only 35% of the planned actions and measures in the strategy were implemented, resulting in a need to update the strategy. SIGMA, an external actor also assessed poor PAR strategy implementation (SIGMA Assessment Report, 2009).

To sum up, with all the legal loopholes and uncertainty these UNMIK regulations had, they presented the only legal framework for the functioning of the civil service at the time (shown in the below table 1.). A lot of work remained to be done in the following years with the aim of establishing a professional and effective civil service system in line with Commission and SIGMA principles. Overall, the work in progress toward establishing a professional civil service was still at a premature phase. Few of the explanatory factors could be the low administrative, human, and financial capacities to adopt and successfully implement it.

Table 6 Kosovo legislative framework and key challenges

<u>Legislative Framework</u>	<u>Key Challenges</u>
Regulation No. 2001/9 on Constitutional Framework for Provisional Self-Government in Kosovo.	Broad definition of civil servants
UNMIK Regulation No. 2001/36 on the Kosovo Civil Service. December 2001	Three year contract durability of civil servants
UNMIK Administrative direction No.2003/2 implementing UNMIK Regulation No.2001/36	Lack of detailed principles of professional and neutral civil services
	Decentralized system of recruitment
	Incomprehensible and incoherent legal framework

Source: Author's compilation based on readings

### *Civil Service in Kosovo during the period of 2008-2018*

#### *Post-Independence Civil Service (2008-2010)*

Before going into substantial analysis of the legislative infrastructure, a general overview of the progress in the public administration reform is provided by the European Commission country reports. The below table shows the trend on compliance data with public administration requirements deriving from the EU in the context of progress made each year for Kosovo. The data is based on these reports for a period of ten years 2008-2018.

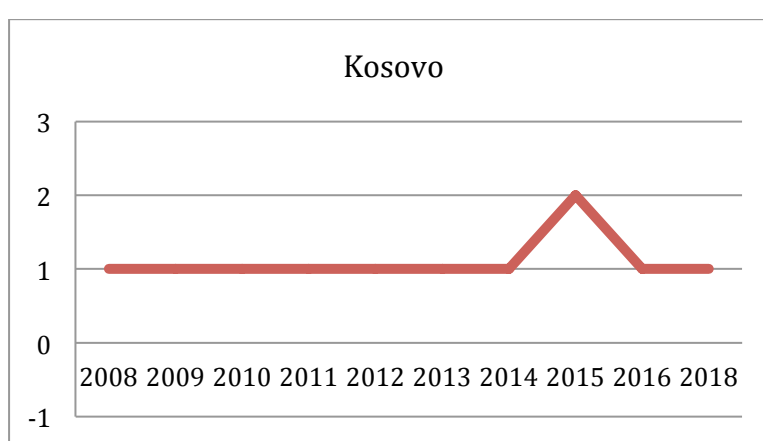


Figure 7 Kosovo data on compliance with EU requirements (2008-2018)  
Source: European Commission Country Reports

The compliance data trend does not reflect any major improvements, but rather a straight-line disposition of compliance with the overall EU requirements in the

framework of public administration reforms. The numbers from -1 to 3 reflect the level of progress as follows: (-1) backsliding, (0) no progress, (1) some progress, (2) good progress, (3) substantial progress. According to this codification, Kosovo has continuously shown some progress in the context of public administration reforms, but it has never shown substantial progress. The trend reflects a better evaluation score only in 2015 when the reforms were assessed as good progress (2). A thorough analysis of the 2015 country report shows that this positive assessment accounts to the advancement made in the legal and strategic framework; though, politicization of the administration is highlighted and remains a major problem.

Furthermore, in addition to the progress measured in terms of fulfilling last years' country report recommendations, the EU in 2015 started to measure the country's level of preparedness in terms of being ready to take on membership obligations. This measurement was codified in a five scale as follows a) early stage of preparation, b) some level of preparation, c) moderately prepared, d) good level of preparation, e) high level of preparedness. Since the data was available only from 2015 resulting only in a three-year period, 2019 is also included to have one more year of assessment.

As shown in the below figure, Kosovo in the last years remains in the same level of preparedness, more precisely it is assessed to have some level of preparation. This assessment indicates that the country has undergone some changes in public administration, but it still has a long way to go while it does not indicate in what particular dimension of PAR these changes took place. In the below sections, we analyze whether these changes pertain to the civil service in the case of Kosovo.

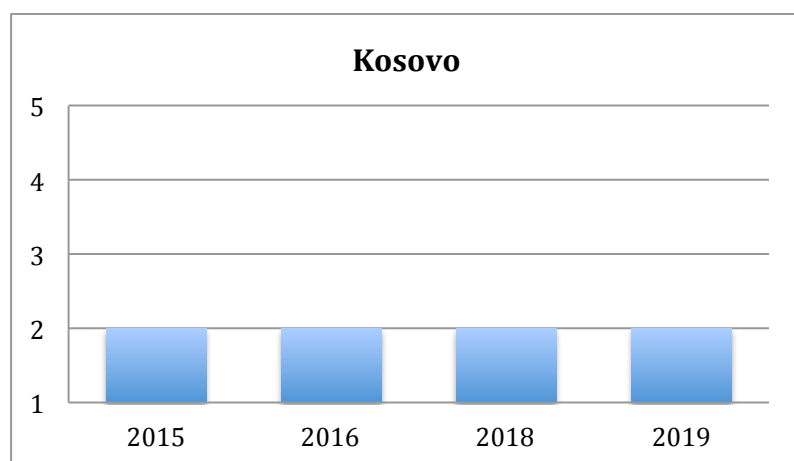


Figure 8 Kosovo data on level of preparedness to take on EU membership obligations  
(2015-2019)

Source: European Commission Country Reports

Furthermore, the civil service system with all its challenges and an incoherent legislation, as briefly discussed above, remained in power after 2008, when Kosovo declared its independence and adopted its constitution. Given that, one could easily observe a huge degree of misfit between the Kosovo civil service principles and those promoted by the Commission, which embraced the establishment of a professional civil service as the core pillar for *EU Acquis* implementation, amongst others. As explained in the Europeanization literature, for Europeanization to take place the domestic situation in the candidate or potential candidate country should be different from the one in the EU (degree of misfit being a necessary condition for the process to take place). This difference between the two levels (domestic country and EU) establishes the degree of pressure for adaptation that is generated at the EU level. This pressure for change or the EU's impact on improving the system inherited before independence and on building an efficient public administration, in particular a professional civil service can be traced in the reform priorities set for Kosovo in the European Partnership Agreement of 18 February 2008 (Council Decision 2008/213). This Council Decision included short-term priorities (1-2 years) and medium-term priorities (3-4 years). Public administration requirements were listed under the short-term priorities, in the political criteria section and they included the following

- *“Reinforce capacity for government coordination and define more precisely the responsibilities of the central and local authorities for ensuring consistency of policy implementation. Strengthen the efficiency of the government's functions of monitoring the performance of the public service.*
- *Rigorously enforce transparent procedures on recruitment, transfer, appraisal, promotion, conduct and dismissal of civil servants, including police and justice system employees, and on financial management.*
- *Improve the functioning and strengthen the independence of the Independent Oversight Board and the Senior Public Appointments Committee.*
- *Improve quality and availability of basic public services to all communities, including a contribution to reduce the demand for services provided by parallel structures.*

- *Advance the decentralisation process and adopt, inter alia, the laws on local government and municipal boundaries (Council Decision 2008/213)."*

The listing of these political criteria in the short-term priorities indicates the EU's interest and conditionality in building a depoliticized civil service. Two out of the five short-term priorities are criteria related to the establishment of a professional civil service and safeguard measures. Based on this Council Decision and on the strategic priority of the country to join the Union, Kosovo government adopted the *-2008 Action Plan on Implementation of the European Partnership for Kosovo (EPAP)* (Agency for European Integration 2008). The EPAP was drafted by the Agency for European Integration, an office that was functioning within the prime minister's structure. The aim of the EPAP was to identify the structures responsible for its monitoring and implementation and to allocate and harmonize the budget needed for implementation in accordance with the medium term framework spending. On one hand this was an indication of the government's willingness and the government's plan to start the implementation of the requirements deriving from the European Partnership Agreement in 2008. The willingness for change could be interpreted as one that derives from the EU's pressure to change policies so that the country can advance in its integration path. The EPAP notes that the reform on public administration consists of three key documents including

1. report on the current state of public administration in Kosovo,
2. strategy on reform of public administration in Kosovo, and
3. action plan on reform of public administration in Kosovo.

At the time the civil service was functioning with the UNMIK regulations discussed in the above sections; thus, three viable steps required by the Commission starting with the identification of the problems in administration, then the drafting of a strategy and afterwards adoption of an action plan to implement the strategy looked real and promising toward improving state administration capacities. One of the few strategic objectives for implementation of the documents mentioned was related to the need for having a professional civil service and it was noted "a professional and depoliticized Public Administration developed based on the best European policies and practices for management of human resources" (Agency for European Integration

2008). Based on 2008 SIGMA assessment reports, the public administration remained to be weak and, thus politicized, mainly due to the government effort to solve the final status of the country while putting less efforts on public administration, and in particular civil service reforms (SIGMA, 2008). A similar assessment was discussed in the 2008 progress report highlighting the lack of laws on Civil Service, on Kosovo Institute for Public Administration, and on Public Administration and the weak coordination among institutions (Commission Progress Report on Kosovo, pg. 15. 2008).

At this point in time, there were two key institutions in place and responsible for the protection of civil servants – Independent Oversight Board and for appointment of senior civil servants- Senior Public Appointment Committee. These bodies were established prior to independence with the UNMIK regulations and were still functioning without any changes to their functioning scope or structure after the independence. It is important to clarify their composition and their objectives, so that in later stages of this research we can observe potential changes due to EU conditionality. with the purpose of civil service policy Europeanization.

The Independent Oversight Board (henceforth IOB) is an autonomous body-tasked with reviewing employment complains from civil servants. Initially, it was established by one UNMIK regulation, but after the adoption of the constitution, article 101.2 notes that the establishment of the IOB has a constitutional basis by underlying “establishment of an independent oversight board for civil service in order to ensure the application of established rules governing the civil service (Constitution of Kosovo, art.101 2008). The IOB initially reported directly to the Minister of Public Services and a copy of all reports was sent to the Prime Minister’s office; however, with the legislative changes introduced it reports directly to the Parliament, and a copy of reports is sent to the Prime Minister’s office (Regulation No.2008/12). This change was done on the basis of improving the independency of the institution, as the direct reporting and financial dependency to the Minister raised concerns of independency and impartiality. Only in 2010, the Assembly of Kosovo adopted the Law No. 03/L-192 for the Independent Oversight Board on Civil Service (Official Gazette of the Republic of Kosovo, 2010). In accordance with the Law on IOB, its board is composed of seven members who are elected by the Assembly on the basis of



an “open” and “ transparent procedure”. The composition of the Board reflects the multi-ethnic character of Kosovo and is composed of four Albanian members, two minorities, and one international member, all specialists in the field of civil service administration. It is also important to note, that in accordance with the Law two of its members shall be among female gender. Overall, the IOB has been established as an appeal mechanism to balance and control political appointments within civil service. However, there is no mechanism in place to ensure the implementation of the decisions taken by the IOB. This limitation does not guarantee that the IOB can always serve as a protection mechanism because there is nothing it can do, if its decisions are not implemented. According to Article 14 of the Law, if the aggrieved party renders the Board decision as unlawful, the party has the right to initiate an administrative dispute before the competent court within thirty days. Three important issues including the appointment, dismissal, and promotion of civil servants are key to the integrity of the civil service system, meanwhile the IOB should ensure that there is no infringement of the set criteria by professionally and impartially reviewing all complains related to such issues.

*The Senior Public Appointment Committee (SPAC)* was another key stakeholder in the public administration under the UNMIK era and lasted until the adoption of public administration laws in 2010. SPAC was the key body inside the Office of the Prime Minister responsible for ensuring implementation of legislation on senior civil servants. Senior civil servants were considered: a) permanent secretaries, b) chief executive officers, and c) other posts as designated by the Special Representative of the Secretary-General (SRSG) (UNMIK Regulation 2001/36, sec 1). In general, the senior civil servants present small groups of civil servants or otherwise referred to as an elite group which is considered to be the core of the civil service, located very closely to the executive, forming a layer between politicians and the civil service at large.—The SPAC was composed of 10 members including two ministers (one of whom was the Minister for Public Services), two ministers from non-Kosovo Albanian communities, three prominent inhabitants of Kosovo, and three international members, and the Prime Minister as chair.

The appointments of senior civil servants were reviewed by a panel consisting of four members including a) Permanent Secretaries of the Ministry of Public Services, b)

one from the ministry under which the candidate for appointment was to serve, c) One well-known Kosovo inhabitant, and d) one international member of the SPAC (the last two to be nominated by the Prime Minister) and were proposed to the SAPC (UNMIK Regulation 2001/36, sec. 20). Compared to other three members of the panel who were clear on whom they represented and who they were, the well-known Kosovo inhabitant in terms of representation and how it was selected remains vague. The objective of the SPAC was to contribute toward the establishment of a civil service that was neutral, depoliticized and effective at the senior level. In 2010 this structure became inexistent as the new law on civil service did foresee the appointment of senior managerial positions.

Furthermore, the PAR Strategy and the Action plan adopted in 2007 included the adoption of new laws to regulate the public administration, in particular the civil service. Some of these laws on PAR were also part of the Ahtisaari Package of Draft Laws (SIGMA Assessment Report, 2008). The administration was assessed to continue being weak, politicized and ineffective. A high turnover was assessed to be present along with poor professionalism in the public service. This was mainly due to lack of protection to civil servants and also the demand for employees in the international organizations present in the country (SIGMA Assessment Report, 2008). The high turnover does have a negative impact on the civil service because those trained do not remain within the system and there is a need to train new staff and spend additional financial resources. Lack of professional staff led to problems with absorption capacity that caused delays in implementing any type of administrative policy (Interview with Agron Demi, 2019). Going back to the drafting of the laws the expertise and support from SIGMA and other donors was requested. The Progress Report also highlighted that civil servants are “vulnerable to political interference, corruption and nepotism” (Commission Progress Report on Kosovo, pg. 21. 2008). In the same report, the EU demands and reminds Kosovo institutions that the establishment of “a professional, accountable, accessible and representative public administration” is a core priority in the European Partnership for Kosovo (Commission Progress Report on Kosovo, pg.23. 2008). In 2009, the Government did adopt two draft laws, the one on Civil Service and the one on Salaries for Civil Servants with the continuous support of SIGMA and other international donors (SIGMA Assessment Report, 2009). This was one of the first steps as the laws still needed to be discussed and adopted in the Assembly. The Progress Report noted that

six working groups have been established to manage the PAR process. This showed a level of commitment by the government to pursue PAR process as set in the European Partnership Agreement. On the other hand, this did not guarantee PAR related law making and implementation and it could be merely a new structure established to prolong and fake the reform.

Apart from the EU/SIGMA there were also other donors who supported the reform; however, the principles in accordance to which the civil service was attempted to be build were those of SIGMA. Other donors that were present included the UK through the DFID, USAID projects, and World Bank projects, which will be briefly discussed below. Although, the EU 'template' was the key one, donors like USAID, UK and World Bank were more influential and their demands were more seriously taken into consideration (Interview with Agron Demi, 2019). According to the interviewer, one key explanatory factor is that these donors as compared to the EU spoke with one voice and had a more concrete roadmap and timetable. The EU, on the other hand, has no one single address and the requirements, as well as the country assessment languages were ambiguous. This ambiguity, but also the lack of clear 'carrots' and benefits led to delays in adoption and implementation of policies. However, it is important to note, that all the civil society and experts interviewed shared the same opinion in regards to the overall EU conditionality effectiveness; in particular all agreed that not only in Kosovo, but in the entire region of the Balkans, EU conditionality remains the key impetus for change. Overall, the lack of such conditionality and EU prospect would have resulted in a status quo condition in all Western Balkan administrations.

To sum up, this period was not characterized with major changes in the civil service, apart from the efforts to adopt a legal framework. Mainly, we could observe, working government and expert groups collaborating for the drafting of laws on civil service and PAR strategy. However, neither real change nor any kind of transformation was observed during this period. The government was still in the absorption phase as it was dealing with the adoption of the draft laws in the government and the update of PAR strategy; thus, civil service remained unprofessional, politicized, and ineffective.

### *Post 2010 Civil Service*

The 2007 PAR strategy was poorly implemented (as shown in the above section), and a new political context was created due to the country independence; thus, the government considered it necessary to update the PAR strategy. The strategy was planned to cover three years 2010-2013, and afterwards to check for implementation results. In the strategy it was written that the Government “is committed to update the document, to foster the public administration reforms in conformity with demands of the new state for efficiency, effectiveness and Europeanization of administration” (PAR Strategy 2010-2013). With the update and adoption of this strategy, the Government showed political willingness to foster PAR processes and gave a political push and support to the reforms. Although, there was no established mechanism to keep accountable those responsible if implementation would fail or if only some of the objectives would be reached. This is a lingering problem with all strategies adopted even today in 2019 in Kosovo. In the same year, in 2013, one key donor, the UNDP started to implement a two year project, in the value of 1,500,000 USD, to provide “a high-level policy advice to the MAP on the process of developing policies and legal instruments which support the implementation of PAR as a technical process” (UNDP, 2013-2015). UNDP through this project provided technical support through development of concept notes, methodologies, codes of conduct, guidelines, amongst others, to aid the implementation of PAR objectives.

In 2010, the government of Kosovo adopted the Law on Civil Service, the Law on Salaries, and the Law on Independent Oversight Board for Civil Service of Kosovo (Law on Civil Service 2010, Law on Salaries 2010, Law on Independent Oversight Board 2010) (henceforth, in the analysis we refer to this period as post-2010). A new era for civil service was considered to have begun after the adoption of these three core laws towards building a civil service system that would comply with SIGMA principles. The Law on civil service set several rules for apolitically impartial civil service, recruitment procedures, working conditions, rights and obligations, personal conduct, career advancement and professional development of civil servants. The Law on Salaries regulated the structure and/or wages, allowances, and other remunerations for civil servants, aimed at regulation equal pay for equal work value. The Law on Independent Oversight Board regulates the functioning of the IOB as a protection mechanism responsible to review and decide upon the appeals of civil servants and those who want to enter the civil service system. As one can observe, the

Assembly also plays an important role in the PAR process - a lawmaking stakeholder, considering its core responsibility to review laws through legislative committees, to discuss them and then to adopt them in the parliament (as shown in the below table 2).

Table 7 Kosovo Public Administration Stakeholder Analysis

Stakeholders		
The Ministry of Public Administration	The Assembly of the Republic of Kosovo	Committee for Public Services, Local Administration, Media
		Committee for European Integration
		Committee on Legislation, Mandates, Immunities, Rules of Procedure of the Assembly and Oversight of Anti-Corruption

Source: Author's Compilation based on readings

The legal frameworks were in place; secondary legislation was still being drafted, while implementation remained to be seen. The adoption of these laws was considered only one of the first steps, as it had been considered to remain difficult to change the patronage-based practices throughout the administration (SIGMA Assessment Report, 2010). Thus, the EU in its 2010 country report reiterated its request toward Kosovo institutions to address the establishment of a *professional, accountable, accessible, representative public administration and ensuring the delivery of public services* to all as a matter of high political urgency (Commission Progress Report on Kosovo, pg. 27. 2010). The laws adopted included a set of changes as compared to the UNMIK regulation; however, they also had drawbacks which, we discuss in the below section together with changes made towards a depoliticized system.

*The Law on Civil Service* did set basic principles of the civil service in accordance with which civil servants should perform their duties and they included *legality, non-discrimination, obligation to respond on the requests, effectiveness and efficiency, accountability, impartiality and professional independence, transparency, avoiding*

*conflict of interests, and principle of equal opportunities for communities and gender* (Law on civil service 2010, Art 5).

The concept of the civil servant has undergone three major changes in regards to the definition, groups, and functional categories. First, the concept of the civil servant has been changed to a more specific one while excluding a set of categories: *teaching staff of the education system, the medical staff of the health service, creators and art performers, Police Officers of the Kosovo Police, Customs Officers of the Kosovo Customs, Correctional Officers of the Kosovo Correctional Service and Members of the Kosovo Security Force, political appointees and all the persons appointed in positions by the political appointees and members of their cabinets* (Law on Civil Service, Art 4). As explained in the SGIMA study, it is not suitable to apply the same set of criteria for recruitment, appointment, promotion and demotion of large categories of professionals like teachers or doctors as to those who provide services in the administration (SIGMA, 2008). As a result, this narrower definition of the civil service was a step forward in the establishment of a professional civil service. Second, the civil service, for the first time, made a differentiation between a) career civil servant positions and b) non-career civil servant positions. The latter refers to those who perform functions for a period of up to two years and the former refers to those who perform functions on a permanent basis. Third, prior to this law, there were no functional categories for civil servants, but article 23 of the Law (2010) makes a distinction among four types including 1. civil servants of senior-level management; 2. civil servants of management level; 3. civil servants of professional level; 4. civil servants of the technical-administrative level. This was a necessary step in terms of career development as this distinction had to be followed with different job grades and trainings depending on the responsibilities and the complexity of the job, as a result of which the qualifications and experiences would also be evaluated and valued.

*Appointment and Recruitment:* The admission to the civil service for non-career positions and career positions is open to all candidates with the exception to the senior managerial positions like general secretaries or chief executive or similar. Though, even in this case if none of the candidates fulfills the criteria, the law has foreseen an open application for all interested. During the UNMIK era the appointment of senior civil servants was done through the SPAC, while in the post-2010 era this is regulated

by Regulation No.06/2010 on the Procedures for Appointments to Senior Management Positions in the Civil Service of the Republic of Kosovo, the legal basis of which is the Civil Service Law 2010. The Council on Senior Management Position (henceforth, the Council) is the body responsible for ensuring the integrity of the recruitment system and the quality of the process of appointments while maintaining the stability of the senior management system (Regulation No.06/2010). In principle the establishment of the council might seem professional, though in order to check for independency one has to look at the appointment and composition of the Council. There are seven members of the Council composed of one deputy minister, minister responsible for public administration, minister responsible for finance, one minister from the communities, three members from among the ranks of general secretaries or equivalent position, all appointed by the Prime minister (Regulation nO.06/2010 Art.7). This reflects a picture of a Council being Government Council, where space is left for political influence during the process as all members come from the government. Another major drawback of the law in terms of recruitment is the lack of changes made in regards to the decentralized system of recruitment. This means that every institution administers, manages and implements the recruitment process in cooperation and compliance with the Department of the Ministry in charge of public administration (Law on Civil Service, Art. 18). Given that, the recruitment system is prone to high levels of politicization at all levels and institutions and is not in line with the SIGMA principles for establishing a depoliticized civil service system. Kosovo at the time remained the only country in the Western Balkans that did “yet not have a fully functioning civil service law subject to implementation“ (Meyer-Sahling, 2012). Looking at the country reports from 2008 to 2011, in the below table 3, one could observe that the requirements to adopt the laws regulating the civil service, adoption of secondary legislation, and successful implementation of the laws has been repeated from one year to the other. On the other hand, a repetition of problems and challenges, from one year to the other, in regards to the overall reform in administration have been present in Commission report assessments. As shown throughout this analysis, during the year, the EU continuously reminds the Government that this reform is one of the key priorities of the European Partnership Agreement.

Table 8 Kosovo civil service reform according to the Commission progress reports

Country Report	Civil Service
2008	However, the Law on the Civil Service, the Law on the Kosovo Institute for Public Administration, and the Law on Public Administration have yet to be adopted. Civil servants continue to be vulnerable to political interference, corruption and nepotism.
2009	However, important legislation relating to public administration reform is yet to be adopted, notably laws on the civil service, on salaries and on the organisation of public administration institutions. These laws are essential in ensuring the independence of the civil service.
2010	There has been progress as regards public administration reform. In May, Kosovo adopted two key laws in this area: on civil service and on the salaries of civil servants. However, the legal framework remains to be fully implemented. In order to allow timely implementation of the civil service legislation, the necessary implementing rules that have been put in place need to be implemented as a matter of priority.
2011	The legal framework necessary for the implementation of the civil service primary legislation is still not complete. Kosovo needs to build a professional public administration free of political interference.

Source: Commission Country (Progress) Reports 2008-2011

*Dismissal and disciplinary measures:* Article 87 of the laws discusses the dismissal of civil servants on the grounds of poor performance and poor results, in addition to violation of the code of conduct and of the law that results on criminal charges. Measuring of the poor performance remains a concern as any civil servant can be terminated the contract after two consecutive poor performance evaluations done by her/his boss. The Law foresees that each institution conducts the performance appraisal individually; thus, raising concerns about non-standardized forms of performance and the lack of a centralized institution responsible for the performance system (Law on Civil Service, Art.33). This form of performance appraisal and the possibility for termination of the contract of a civil servant, in politicized and hybrid systems of civil service risks the idea of performance based on merit, as foreseen by law.

On the other hand, those civil servants whose performance appraisal has been satisfactory for two years in a row, the civil servants shall be confirmed in their position with an open-ended appointment, for positions, which by their nature, function, and duties are permanent. It is also important to note that Regulation No.



19/2012 on Civil Servant's Performance Appraisal Results derives from the Law on Civil Service; however, it could not be implemented since the process was related with the new classification of job positions that was still in process. Therefore, the performance appraisal in 2012 was still done in accordance with the Administrative Instruction no.08/2003 (Department of Civil Service Administration, 2012). Moreover, different from the UNMIK regulation, which provided for three-year contracts in civil service, and was considered one of the major loopholes of the law that raised heavy concerns about the instability of the system and political influence changed with the new Law by offering open-ended appointments (Law on Civil Service, Art.19).

Furthermore, promotion of civil servants was foreseen "from lower to higher functional category, or from lower to higher grade within the same functional category" and these forms of promotions were "based on merit and open to all qualified Civil Servants without, in compliance with the anti-discrimination principles established in this law and the Law on Anti-Discrimination" (Law on Civil Service, Art 26, par 1 &2).

*Training capacity:* The Kosovo Institute of Public Administration (KIPA) is an agency established in 2003 based on Administrative Direction No 2003/25 Implementing UNMIK Regulation no.2001/19 on the Executive Branch of the Provisional Institutions of Self-Government in Kosovo (Department of Civil Service Administration, 2012). The agency serves under the Ministry of Public Administration and reports to the Minister. KIPA's role was to develop trainings and provide these trainings to civil servants. This KIPA role is also foreseen with the 2010 Law on Civil Service. According to the Department for Civil Service Administration (DCSA) training is provided in line with European standards for public administration in order to provide the best administrative services to citizens of the Republic of Kosovo. However, the EU Commission has continuously assessed the KIPA training capacities as weak (Commission Progress Report on Kosovo 2008, 2009, 2010). In 2010 KIPA was left without offices as its offices were sold by the state (SIGMA Assessment, 2011). Overall, KIPA was faced with various challenges including financial, human resources, and premises, thus making the delivery of its objectives a lot harder. This reflected the lack of political willingness to prioritize the PAR and in

particular to acknowledge the crucial role of KIPA in building a professional civil service by providing the necessary infrastructure to operate.

Another key stakeholder mentioned many times in the above discussion is the Ministry of Public Administration (MPA), which as the name itself suggests is the key legal and policy-making institution related to public administration. Under the ministry structure is the DCSA that is the key department responsible for Law on Civil Service and Law on Salaries. The DCSA is responsible, amongst others, for the following:

1. “Developing and overseeing policies for a professional, impartial, accountable and multiethnic civil service.
  2. Developing and coordinating the implementation of policies for creating and training of staff of KCS.
  3. Developing and overseeing the implementation of policies on salaries in public administration;
  4. Maintenance and administration of payroll system and central registry of civil servants
- Department of Civil Service Administration is organized and structured in three divisions (Department of Civil Service Administration, 2012). “

However, the DCSA similarly to KIPA, struggles with weak capacities and resources needed to perform its functions (SIGMA Assessment, 2011). In addition, the Commission has assessed that the MPA as an institution that lacks the central focus on PAR due to many other issues it covers like statistics, census, IT affairs, government buildings and similar (SIGMA Assessment, 2011).

Table 9 Kosovo legislative framework and key civil service challenges 2008-2012

<u>Legislative Framework</u>	<u>Key Challenges Remaining in the Civil Service</u>
Law No.03/L-149 on the Civil Service of the Republic of Kosovo	Weak MPA and DCSA capacities (human resource and financial)  Weak KIPA capacities (financial, human resource, and premises)
Law no.03/L-147 on Salaries of Civil Servants	
Law No.03/L-192 on Independent Oversight Board for Civil Service of	

Kosovo	Weak donor coordination
Regulation No.06/2010 on the Procedures for Appointments to Senior Management Positions in the Civil Service of the Republic of Kosovo	Heavy dependence on international assistance (expertise and funds)
Regulation No. 07/2010 on Civil Servants Appointment	Lack of standardized performance appraisal forms
Regulation No. 01/2011 on Termination, Suspension and Ending of Employment in Civil Service	Lack of a centralized system of recruitment
Regulation No.04/2011 on Disciplinary Procedures in Civil Service	Lack of secondary legislation that aids implementation
Regulation No. 19/2012 on Civil Servant's Performance Appraisal Results	Weak implementation of laws and regulations in place
Regulation No.05/2012 on Classification of Jobs in Civil Service	Weak IOB mandate in terms of implementation of its decisions
Regulation No.06/2012 on Senior Management Positions in the Civil Service of the Republic of Kosovo	
Regulation no.33/2012 on Allowances in Salaries and other Compensations for Civil Servants	

Source: Author's compilation based on readings and analysis

*The Law on Salaries for Civil Servants* aimed to establish a system and structure of salaries, allowances and remunerations for civil servants (Law on Salaries 2010, Art .1). The salary of the civil servant, foreseen in article 4 of the law, is “composed of the basic salary and allowances on basic salary”. The four functional categories of civil service positions, discussed above, are classified in fourteen salary grades, with report of minimal and maximal salary in a proportion of one to five. Though, this was foreseen to be regulated with the adoption of a new regulation. Progress in terms of increasing grades is based on the results of the performance appraisal. The performance appraisal consists of a set of subjective elements to be evaluated by the manager including “*professional abilities and skills showed at work place, level of engagement and commitment, results achieved at work and the contribution, respecting the terms, dynamics, efficiency and effectiveness, and quality of performed*

*works*” (Law on Salaries 2010, Art.11). The law further clarifies that if civil servants are rated as “very good”, “good” or “excellent” they can get different promotions of category or grade.<sup>10</sup>

To sum up, this period of the civil service reform has been characterized as a period of hope for building a professional civil service in compliance with the Commission SIGMA principles. This was mainly due to the legal infrastructure adopted, the update of the PAR strategy and adoption of the action plan for implementation of the strategy. However, various legislative loopholes and weak institutional capacities remained in the 2010 framework, in addition to the heavy dependence on donor assistance and lack of donor coordination in PAR process. Secondary legislation was also slowly being adopted; thus, many institutions continued to implement the old legislation leading to uncoordinated efforts to implement the reform process. Overall, public administration did not undergo any transformative changes so far; in 2012 it was still at an early phase of legislative adoption. One factor explaining this lack of tangible progress is the lack of political will to prioritize the reform, primarily by lack of allocation of budgetary means to it. Although, the government has expressed its willingness in its rhetoric that it will reform the administration to comply with Commission requirements, in particular the SIGMA principles, the results show that it has mainly done the talk of reform. Another factor explaining this posture in the administration is the high political costs that the political elites could face. As explained, the civil service remained politicized, in particular the recruitment process was heavily influenced by political elites, independent of the political conditionality accompanied with assistance granted to reform the system;. The political influence took part in the form of employment of people that were loyal to their party politics.

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<sup>10</sup>In the case of grades four (4) to thirteen (13), increase of coefficient based on performance shall be decided as follows: 3.1. civil servants whose performance is rated as “good” in any year, shall progress one step at the end of that year, provided that their current step is below step four (4). If their current step is four (4) or more, civil servants whose performance is rated as “good” in two (2) consecutive years shall progress one step at the end of the second year, provided that their current coefficient is below step eight (8), which is the highest step for that performance category. 3.2. civil servants whose performance is rated as “very good” in any year shall progress two (2) steps at the end of that year if their current step is below step five (5) or one step, if their current step is step five (5). If their current step is step six (6) or more, a civil servants whose performance is rated as “very good” in any year, shall progress one step at the end of that year, provided their current step is below step ten (10), which is the highest step for that performance category. 3.3. civil servants whose performance is rated as “excellent” in any year shall progress two (2) steps at the end of that year if their current step is below step eleven (11) and one step if their current step is step eleven (11).

Thus, any transformative change of the system would be translated into less influence in the administration resulting in potentially less loyal party people and less support for a particular political party. This could be interpreted as one of the key factors prolonging and resisting the real reform in civil service. *Post 2012 period:* In 2012 Kosovo was found in a different context in the framework of its relations with the Union. 2012 was an important year for Kosovo as the European Commission conducted its feasibility study for the signing of the Stabilization and Association Agreement (SAA). It is also important to note that Kosovo, at that time, was the only country in the Balkans to have still not signed the SAA. This feasibility study presented the framework of conditionality relations with Kosovo. As part of the study the Commission asked Kosovo institutions to adopt secondary legislation necessary for full implementation of the Law on Civil Service and Law on Salaries. It did urge institutions to use the momentum by adopting secondary legislation in order to build a professional civil service (Feasibility Study, 2012). The study also highlighted that the Government and the Parliament have to ensure political support for the Ombudsperson Institution of Kosovo (OIK), being the key independent body related to public administration, while offering premises and budgetary independence. The Commission has also raised concerns about the need to better comply with the IOB decisions, being the key mechanism in protection of civil servants.

The Government, in particular the ministries responsible, issued various legal acts to aid implementation of the Law on Civil Service and Law on Salaries. However, the adoption of secondary legislation was slow and it was not issued as foreseen by Law within one year after the entry into force of the law leading to lack of Law implementation. In 2012, the government adopted Regulation No.05/2012 on Classification of Jobs in Civil Service and Regulation no.33/2012 on Allowances in Salaries and other Compensations for Civil Servants, as prerequisites for organization and systematization of jobs. This regulation did foresee the design of a job catalogue composed of job titles and grades; however, this was adopted only in 2015, few years after the deadline (Job Catalogue for Civil Servants in Kosovo, 2015). The government did a reverse job by allowing institutions individually to come up with job titles, and they did come up with 4500 titles in 45 institutions leading to a delayed process and increased workload (SIGMA Assessment Report, 2015). In addition, SIGMA evaluated that the secondary legislation on Law on Salaries was adopted in a hasty manner without considering the budgetary implications. Therefore, the Ministry

of Finance (MoF) did oppose the 2012 regulation on salaries and other compensations due to the heavy budgetary burden that was estimated to be 8-10 million euro per year.

Secondary legislation deriving from the Law on Civil Service was also adopted; however, implementation challenges remained, in particular with promotion related issues. The performance appraisal was not being implemented, as the cycle of performance evaluations was linked to the set of specific objectives that was lacking. These objectives should have been set at the beginning of the year, so that civil servants would be evaluated in comparison to these objectives (SIGMA Assessment Report, pg. 48, 2013). These delays relate with delays in the job classification system, as the two are closely related, leading to the lack of law implementation. It is important to note, that during this year the World Bank was implementing a large technical assistance project. This shows, that apart from the Commission/SIGMA experts, there were other donors like the World Bank who were contributing to the development of a professional civil service system (World Bank Project, 2010). Though, it is important to note that this project did not present a new template of how the administration, in particular the civil service should look like, but it was providing technical assistance in identifying the legal problems and discrepancies in the secondary legislation deriving from the Law on Civil Service and Law on Salaries of Civil Servants.

Moreover, recalling the Commission feasibility study request that the Ombudsperson should be provided with new premises, higher number of staff and increased finances was reached (Commission Progress Report on Kosovo, pg.22. 2013). This is an straightforward cause and effect relationship to detect in the framework of Europeanization and political conditionality discussed in chapter I. Furthermore, Kosovo established the special group on public administration, the so-called Public Administration Reform Special Group, and started a dialogue with the EU on these matters. The establishment of these groups showed the high level engagement of the EU in matters of public administration, since part of these meetings were also the EU special representative and the Head of Unit for Kosovo from the EU Commission, amongst others. Kosovo participants were also of high profile including the Minister on Public Administration. These forums gave political boost to the PAR process and

emphasized its significance toward implementation of other reforms deriving from the conditionality framework of Kosovo with EU.

Overall, three years after the adoption of the laws, the results were not tangible and not of any transformative flavour. The “equal pay for equal work” principle was not being implemented and all related legislation was delayed. A key factor that contributed to this posture was the lack of professional capacities to successfully manage the drafting of job positions. Another factor explaining the failure to implement the law was the lack of budgetary implications when the regulation on salaries and compensations was adopted. Both of these factors present the adaptation costs of implementing this civil service reform by applying the principle of ‘equal pay for equal work’. This accepts our hypothesis of when the higher the adaptation costs of adopting a policy the lower the possibility to adopt the policy.

Another effort to improve the administration took part in 2014 when Kosovo joined the Regional School of Public Administration (ReSPA), an international organization with the mission to boost regional cooperation in the field of public administration in the Western Balkans (ReSPA, 2014). This decision was considered one important step for Kosovo’s public administration, as ReSPA would help the country towards development of an accountable, effective, and professional public administration as a key criterion towards EU accession. 2014 was also marked with the adoption of the Law on KIPA that regulates the organization, functioning, responsibilities of the institute and the Government allocated budgetary means to strengthen its mandate (Law on KIPA, 2014 & SIGMA Assessment Report, 2015). However, the 2014 UNDP public pulse shows that “79% of Kosovans believe that family connections, bribes, party alliance and other non-merit bases combined are the most important factors in gaining employment in the public sector. Only 13% of respondents believe that education, professional experience and vocational training combined are important when to gain employment in the public sector (UNDP Public Pulse, 2014).” This reflects high lack of trust in the merit-based employment system in the public sector, no matter the small progress or the reforms made in the civil service system.

In 2015, seven years after various reforms took place in the country, the establishment of a de-politicized and professional civil service was not completed. It is also

important to note that this year, Kosovo signed the Stabilization and Association Agreement (SAA) with the EU, which as will be discussed below included policy reform requirements in public administration. The civil service law accompanied with secondary legislation adopted did set the employment conditions, and the merit-based recruitment and promotion principles; however, they were not being systematically implemented (Commission Country Report on Kosovo, pg. 23. 2015). Some of the lingering problems identified in the 2015 Commission Report for Kosovo include a) the lack of a remuneration system that ensures equal pay for equal work, b) insufficient professional development of civil servants due to lack of resources and suitable premises of the KIPA; c) performance appraisals remain a formality; d) not all rulings of the IOB are respected. On the other hand, the budgetary analysis shows an increase in the budget line allocated to PAR-key institutions including the MPA, the Office of the Prime Minister (OPM) and the Ministry of Finance (MoF), for both years 2014 and 2015 (SIGMA Assessment Report, 2015). Budgetary allocation is in principle the key criterion necessary for implementation of civil service reforms and budgetary commitment reflects a more positive political approach to the reforms. The adoption of laws and secondary legislation, budgetary allocation to specific reform dimensions, and, on the other hand lack of systematic implementation of legislation suggests a very slow reform process that could be hampered by a number of factors. Political unwillingness or undue political influence was considered as the key criterion among many of the civil society interviewers (Interview with Rushiti. V, Duli. F, & Demi. A.). According to them intense political influence in the process of recruitment, particularly in the recruitment of senior civil servants and board members of publicly owned enterprises, creates an environment that is not conducive to application of the standards and rules set by legislation.

During 2015, the PAR Strategy was also updated to include short and medium term objectives for overall improvement of the public administration. In regards to the civil service, the strategy in the medium-term perspective foresaw the amendment of the legal framework regulating it, implementation of the job catalogue and systematization of job positions, and improvement of the monitoring of legislation for civil service (2015-2020 PAR Strategy). The strategy was followed by the adoption of the action plan for implementation of the strategy for a period of two years (2015-2017).



The EU in its Indicative Strategy Paper for Kosovo has underlined that the IPA II will continue to back up the establishment of a de-politicized, reliable, transparent and accountable civil service in order to be able to provide an efficient service to citizens and the business community, in line with EU standards (Indicative Strategy Paper, 2014). This Strategy has once more highlighted that civil service and public administration reforms are fundamental to successful implementation of all Copenhagen criteria. Instrument for Pre-Accession Assistance (IPA II), under the management of the European Union Office in Kosovo, with a total cost of Euro 3.5 million, for the period of 2014-2020 was allocated to supporting Public Administration Reform in the country (IPA II, 2014-2020). Another major program financed by the EU to support the establishment of a professional, accountable and apolitical civil service was the Young Cells program. This program provides Kosovo students with the opportunity to get an education in various degrees like MA, MSc and LLM in European Universities (Young Cell Scheme, 2019). The program has been running for ten years now, and those who graduate return to Kosovo and join the administration. Though, not all had the opportunity to contribute in the sector or position they wanted, sometimes the best ones remained in irrelevant positions, due to political influence (Interview with Florina Duli, 2019).

In 2016, the SAA entered into force and the government prepared the National Plan for the implementation of the SAA (NISPA). Since the reform on public administration, in particular, the civil service implementation has stalled; the NISPA foresees other legal measures to advance the civil service framework, to improve the management of human resources, and to aid implementation of the PAR Strategy (National Plan for Implementation of the SAA, 2015). The same year, within the framework of the high level dialogue, the EU External Action Service initiated a list of priority policy reforms entitled European Reform Agenda (ERA). ERA was considered to supplement the NISPA and to upsurge the Government attention on key issues including good governance and rule of law, competitiveness and investment climate, and employment and education (ERA Kosovo, 2016). Under the first pillar of good governance and rule of law, the ERA listed two priorities related to public administration including:

Table 10 Priorities and Activities related to civil service based on ERA

Priorities	Activities
1. Carrying out an independent review of the accountability mechanisms of all independent institutions, agencies and regulatory bodies, following up on its recommendations, and adopting legislative measures that clearly define the roles, responsibilities and lines of accountability of these institutions.	<ul style="list-style-type: none"> <li>- Develop a concept document for the draft-law on the organization of public administration; civil service and salaries</li> <li>- Adoption of the legislative package on: civil service; salaries and organization of public administration.</li> </ul>
2. Ensure that the planned legislative package covering civil service, salaries and organisation of state administration is prepared in a coordinated way in an inclusive and evidence-based process on the basis of concept notes agreed at the government level	<ul style="list-style-type: none"> <li>- Develop concept documents for the draft-laws on: civil service, salaries and the organization of public administration; and,</li> <li>- Adoption of the legislative package on: civil service; salaries and organization of public administration.</li> </ul>

Source: ERA 2016

ERA a document written in collaboration between the government and the EU office, sets a deadline for responsible institutions to develop concept documents for key laws on public administration including the draft law on salaries, civil service and organization of public administration. It also prioritizes an *inclusive and evidence based process* for the preparation of the concept documents. The adoption of this legislative framework would be considered the third attempt (the UNMIK one and post-2012) to build a comprehensive legal framework in line with SIGMA principles. The need to overhaul the system is linked to the poor implementation of the current legislative framework- the post 2012, and consequently to the presence of a politicized and unprofessional civil service in place.

A new strategy for training of civil servants was adopted, as the 2011-2013 strategy did expire. The Strategy identifies the need for increased capacities of civil servants with adequate knowledge and skills that would guide Kosovo toward integration into

the Union by fully implementing the SAA. The strategy included five key objectives as follows:

- 1) Raising the level of professionalism in the civil service,*
- 2) Raising the level of general and specific knowledge needed for the integration of Kosovo in European Union,*
- 3) Increasing the level of administrative services that meet the citizens' needs,*
- 4) Increasing the level of use of modern information technology in the daily work of civil servants and*
- 5) Centralization of financial resources for the implementation of the Strategy*  
(Strategy for Training of Civil Servants 2016-2020).

The adoption of the strategy was followed with an action plan for its implementation, for a period of three years (Plan of Action for Implementation of the Strategy on Training of Civil Servants, 2016-2018). The action plan was budgeted and it identified the responsible institution for each objective. Though, as with other strategies adopted, the same problem of accountability remains; there is no mechanism in place that would penalize the institution responsible if the objective is not /poorly implemented.

Furthermore, the same problems that continue to hamper a professional civil service were present and reported in the 2016 Country Report. These problems were related to performance appraisal and career development, recruitment process, remuneration system, professional development, integrity and code of ethics for civil servants (Commission Country Report on Kosovo, p.25. 2016). Similar to ERA 2016, this report calls for a *coordinated, inclusive and evidence-based process* preparation of the legislative package including civil service, salaries, and organization of state administration, on the basis of concept documents prepared. One year later, in 2017 SIGMA assesses the state of play in civil service and underlines that the same problems remain including DCSA has limited capacities for strategic planning and management of human resources; recruitment, disciplinary procedures and dismissals are politicized; salary system does not support equal pay for equal work; KIPA lacks capacities; unsuccessful prevention of corruption although the legal framework on integrity of public service is established (SIGMA Assessment Report, 2017).The

same year, a Memorandum of Understanding was signed between the Government of Kosovo and the UK Embassy in Kosovo (Memorandum of Understanding, 2017). The aim of this Memorandum is to help and strengthen the recruitment process of senior positions in the civil service and public agencies board, in accordance with the Kosovo legislation. Assessments show that boards of public agencies are continuously appointed based on political patronage system. A similar assessment is present in regards to recruitment of senior civil servant positions. Thus, the expectations for this collaboration have been high at the beginning among stakeholders and civil society. However, the memorandum of understanding has proven to be disrespected several times. For example, the latest decision of the Parliament on the selection and appointment of Naser Shala as the head of the Kosovo Property Comparison and Verification Agency (KPCVA) is not in line with the proposal made by the UK project. Members of the parliament have the right to select any individual, but this is not in line with the proposal of the Embassy, consequently it is considered a breach of the Memorandum, according to the UK Ambassador. Civil society has viewed this decision as a step backward within the remit of the establishment of a merit-based recruitment system for senior civil servants and public agency board members and it shows that there is no willingness among MPs to change the current context (Telegrafi, 2019). This proves lack of political willingness to implement the requirements deriving from the EU policy frameworks in regards to establishment of a merit-based and transparent recruitment process. One factor contributing to this lack of political willingness is the lack of EU prospect (Interview with FlorinaDuli, 2019). Additionally, according to Balkan Barometer 62% of respondents agree that public sector is affected by corruption in 2017, and 56% in 2018, as shown in the below table

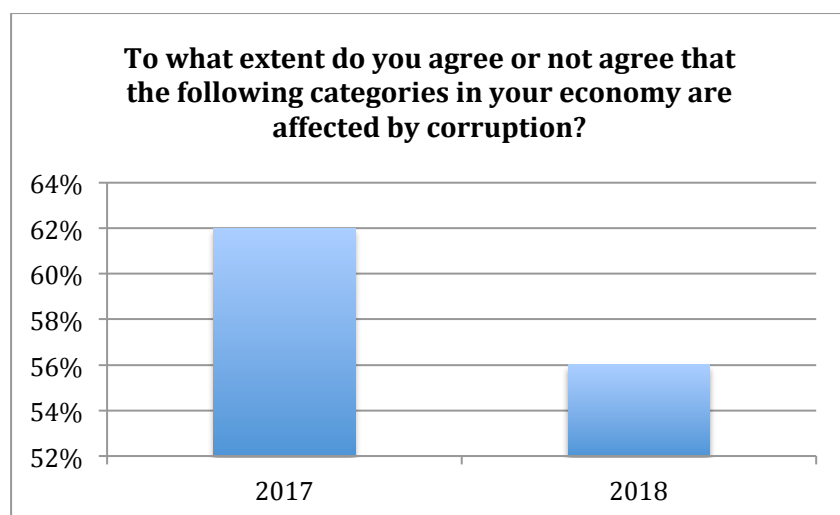


Figure 9 Perception of Kosovo citizens regarding the most affected sector by corruption in the economy

Source: Balkan Barometer Reports (2017-2018)

The views do not reflect any major changes in 2017 to 2018 in the context of views as to what is the most corrupted sector in the economy.

Furthermore, as the EU in all its reports has called for inclusive and evidence-based process during the preparation of the concept documents and later the legislative package, the Ministry of Public Administration during the first part of the year has organized public consultations through the platform on public consultations at the government level (MAP Public Consultations Platform, 2017). The online consultations took place for 22 days, and all interested stakeholders could view online other stakeholders' comments on the concept documents. The online platform offers high level of transparency and accessibility to all non-governmental stakeholders interested to contribute or follow these processes. In the same online platform, the draft law on wages and on public servants was published for comments few months later, during the first six months of 2018. According to CSOs representatives those who wanted to contribute had a chance to participate and follow closely the various processes in PAR. The government was communicative and collaborative in this regard, though this does not mean that their recommendations were always taken into consideration.

Furthermore, it is important to note that the PAR special group between EU and Kosovo met in Prishtina, on April 2018, in the framework of the SAA. During this meeting the EU reiterated their support for a "merit-based, equitable, coherent and

accountable ”PAR legislative package (PAR Conclusions, 2018). In the joint conclusion of the meeting they identified eleven points, four of which are related to civil service including a) concerns over politicized appointment of civil servants, b) the need to revise the regulation on recruitment of senior civil servants, c) position-based recruitment (an open competition) for senior servants, and d) wide public consultation on law on salaries. Few recommendations are specific and measurable like the one to have position-based recruitment for civil servants in the law that reflects the profound involvement and influence of the Commission in PAR. In addition, Ambassador Apostolova has also been active in social media while urging the Assembly among other laws to adopt public administration reform laws (Apostolova- Twitter Post, 2018). Mr. Apostolova and the EU office have an active approach toward criticizing and commending the institutions when it comes to lack of/adoption of specific measures foreseen in the policy frameworks – SAA and ERA. Both, the joint meeting and the Ambassador’s statement indicate top-down pressure on national institutions to adopt the PAR legislative package. Though, this pressure is accompanied with financial and human resources to process the reforms.

In the 8<sup>th</sup> meeting of the PAR special group, the EU notes that the Sector Reform Contract for PAR foresees a total of €25 million financial assistance (€22 million into the country budget and €3 million for technical assistance) until 2021 (PAR Conclusions 2018). The €22 million is divided into four tranches, meaning that upon fulfillment of specific indicators for each of the four phases, the financial assistance will be allocated to the Kosovo budget. Depending on the progress made on the reforms and on meeting the targets which are mutually agreed with the government, a maximum of €22 million can be allocated into the Budget of Kosovo. In practice, this means that if not all the indicators are fulfilled, not all the financial assistance sector reform will be allocated to the country budget. Also, if the deadline in meeting specific criterion is passed, the respective government loses the financial resource and it is returned to the EU budget (Interview with Felix Rathje, 2019). For the allocation of the first payment the agreed indicators include the following:

- Advancement toward implementation of the three PAR strategies including Better Regulation Strategy, Strategy for Modernization of PAR, and Strategy for Improvement of Policymaking and Coordination.

- Keeping of a stable macroeconomic policy oriented towards restoring key balances.
- Satisfying progress in implementing Kosovo's program on improving public finance management (Public Administration Reform Strategy and Action Plan.
- Improved transparency related to public budgeting and on time access to such information. (PAR Special Group Joint Conclusions, 2018).

In the Sector Reform Contracts (SRCs) with the EU, beneficiaries commit themselves to reaching an agreed set of objectives in line with their national strategies. The SRC is also supposed to increase local ownership; it also drastically increases the responsibilities of the beneficiary countries for attaining the set objectives. The SBS has been available for EU candidate countries and potential candidates since 2014. The Commission and SIGMA use the PAR special working group conclusions as an input in their reports.

The EU through IPA I and IPA II funds has support PAR in Kosovo in the total amount of 93,951,471 Euro, for the period of 2008-2018 (Interview with Mikaela Gronqvist, 2019). In total the money is spread into sixty-two projects, some of which are still active and some are closed. The below table provides information about ongoing EU projects in Kosovo including the amount allocated, the key purpose of the project, and the start and end date of the project. Annex A provides the list of all projects from 2008-2018 that were ongoing in Kosovo.

Table 11 List of ongoing EU projects related to PAR in Kosovo

Nr of Project	Project Name	Status	Starting Year	Ending Year	EU Investment
1	Digitalisation of Certified Copied Civil Registry Books	Ongoing	2014	2016	1,397,589
2	Project preparation facility for Ministry of European Integration, Kosovo		2016	2018	1,498,500
3	Support to SFIE to draft "National Strategy for the Prevention of and Fight against Informal Economy, Money		2018	2021	810,000

	Laundering, Terrorist Financing and Financial Crimes 2019-2023"	Ongoing			
4	Support to Strategic Planning Office	Ongoing	2018	2020	3,000,000
5	Young Cell Scheme (Round XI-XII)	Ongoing	2017	2018	200,000
6	Developing professional capacity of the Kosovo National Audit Office (KNAO) regarding audit of Publicly Owned Enterprises (POEs)		2017	2019	1,625,000
		Ongoing			
7	Support Kosovo institutions on SAA implementation	Ongoing	2017	2018	30,600
8	Evaluation of the EU funded support to the Kosovo Assembly	Ongoing	2018	2021	237,260
9	Monitoring of PAR SRC indicators	Ongoing	2019	2024	21,000,000
10	Sector Reform Contract for PFM	Ongoing	2018	2019	1,598,000
11	Support to the Public Administration Reform process	Ongoing	2017	2023	22,000,000
12	Sector Reform Contract for Public Administration Reform	Ongoing	2017	2018	6,000
13	Horizontal support for PAR/PFM	Ongoing	2017	2018	19,600
14	Support to the revision of the Regulation on Senior Management appointments	Ongoing	2018	2021	810,000

Source: EU Office in Kosovo

Furthermore, of all the three laws on civil service, the law on wages triggered the widest public debate and criticism. The law on wages does directly touch upon each household's income that works in the public sector; thus, almost all professional workers through syndicate groups commenced to demand higher wage coefficients. Considering the severe economic situation in the country, where in many cases this



income is the only one a family receives, the criticism became harsher and the voices against the draft law on salaries spread widely. The Syndicate on Education, Art, and Culture (SEAC) has been the most vocal and urged institutions to withdraw the law since according to them the Law is denigrating and does not show respect for teachers (Bota Press, 2018). They argue further, that there is high wage discrepancy between teachers and politicians and if their request is not considered they proclaimed to take other syndical steps like strike. Later on in 2019 the SAEC went on strike for weeks until their requests become part of the law. Doctors also went on strike and demanded a change in the law to reflect higher wage coefficients for them (Koha, 2018). Food inspectors, Kosovo electricity company workers, civil servants, and all categories of health sectors were demanding higher wages with the new law. Only, after few months of harsh public debate the law was sent to the parliament and was adopted in February 2019. The Government, on the day of adoption of the law on wages, highlighted that the adoption of the legislative package on public administration is a reflection of our intensive work to fulfill the obligations deriving from the NISPA, ERA, and the National Strategy for Development. There is a direct link between the EU and the reform in this context. The prime minister's statement clearly indicates that the EU has been the impetus and the cause for reforms in state administration. Although there is a law in place, there will still be attempts by separate institutions like the prime minister's office or the parliament to treat their employees different through a different legal regulation (Interview with Felix Rathje, 2019). The EU, CSOs and other external stakeholders have to stay focused and follow closely any potential changes, since any change would ruin the principle of equal pay for equal work promoted continuously by the Commission standards.

Immediate was the reaction of the Ambassador Apostolova from the EU office in Kosovo who recognized the institutional efforts to draft and adopt the legislative public administration package. Ms. Apostolova stated *“Good understanding & efficient cooperation with Minister MahirYağcılar on making Public Administration Reform a reality. For the first time in Kosovo all salaries paid by the budget are regulated by a law. Transparent scheme based on -equal pay for equal work-principle. Still way ahead for the full implementation of the reforms but the foundation is set* (EU office in Kosovo, Facebook Post, 2019).”

As Ambassador Apostolova noted this is only the first step toward reforming the administration, since secondary legislation has still to be adopted. From the post-2012 period we could observe in our above analysis that more than two years were needed to adopt the necessary secondary legislation for 2012 laws. Thus, a similar timeline could be present for this round of the legislative package. After secondary legislation is adopted, there should be willingness and commitment by civil servants and necessary professional capacities within the administration to implement this package. Another core factor for implementation to take place is the political willingness. The concept of political willingness in our context refers to no political pressure or any direct or indirect influence by the political elite during the implementation process. A trend of perceptions towards merit-based versus non-merit based factors in public sector recruitment does not reflect a promising trend in 2018, as shown below:

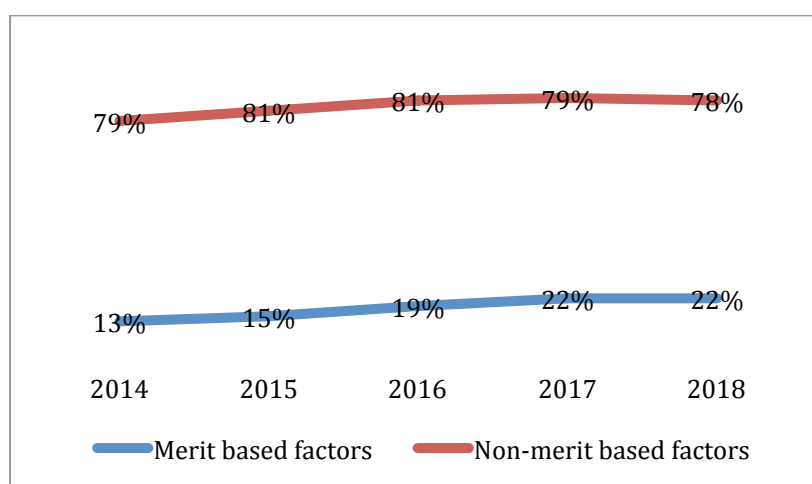


Figure 10 Data on perception of Kosovo citizens related to merit versus non-merit based employment factors (2014-2018)

Source: UNDP Public Pulse Reports

Merit based factors include education, professional experience, and vocational training, while non-merit based factors include family connections, bribes, and party alliances. The % of respondents that views merit-based factors as most helpful to gain a public sector job is much lower than the % of those who believe that non-merit based factors are the most helpful to gain employment in the public sector. It is also

important to note that irrespective of the reforms discussed above, these trends do not reflect any major changes in perception through years 2014-2018.

To sum up, this stage of reform in accordance to the Radaelli interpretation scale that we employ in our research could be concluded that the civil service reform is still at an early stage of the absorption phase. There is no transformative change in terms of the recruitment process, appraisal form, civil service integrity, or career development, but rather new laws, new secondary legislation, and new regulations came into place. As one could observe during our analysis, the same problems and challenges were reiterated from year to year and the only major policy change taking place was the preparation of legislation and adoption of the legislative package in 2010 and later in 2019. Neither could civil service be considered to remain in the status quo phase, although same problems linger from year to year. An attempt to change through the adoption of the new legislative package accompanied with by-laws has been present. The degree of misfit between Kosovo regulations on public administration and the European Commission has been observed to be met only in terms of legislation adopted. Given that, legislative changes seem to be the only positive movement from the status quo of civil service system.

### *Discussion of Results*

The literature on public administration reform, in particular the civil service reform explains that transitioning democracies have continuously used the administration as a tool to remain in power while controlling the recruitment, dismissal and promotion processes, amongst others. This given, the cost of reforming the administration in transition democracies could be high, meaning that the political elites in power would have to give up 'power' and 'influence' in terms of the above processes discussed within administrations. The giving up of 'power' and 'influence' indicates high political costs for the ruling elites. In practice, the elites understand this process as lower support or lower votes for their parties. This goes contrary to the political parties legitimate goal of getting and staying in power, thus the reforms were being postponed and delayed while decision-makers were only making the talk of reform.

The ten-year period of process tracing employed in this research does not show any transformative change in the civil service as a key dimension of good governance. The findings show that there have been continuous changes in the legal infrastructure and other policies like strategies and by-laws including 2010, 2012 and lately 2019. The three periods present important dates in the history of administration reform as major changes in terms of legislation took place during in these years. These small changes and reforms were due to EU conditionality, but not only. Other donors like UK, USAID, UNDP and the World Bank, were also involved in the process of reforming the public administration, in particular the civil service. Thus, their impact could not be isolated, but the process tracing methodology allowed us to closely monitor and analyze the EU impact in this process. The observations show that once the legislative packages were adopted, it took few years for the leading ministries to adopt secondary legislation. On the other hand, the lack of secondary legislation made more difficult and delayed the implementation phase. One of the factors contributing to this delay of adoption of secondary legislation was the lack of professional civil service capacities. Civil Servants did have problems with absorption capacities and technical problems aroused in terms of drafting and understanding secondary legislation. Another factor identified was the political unwillingness to proceed with the reforms due to the high cost of reforms, which lead to delays in adoption of secondary legislation and implementation of these policies. The lack of political willingness could also be observed in that the government until lately did not prioritize the reforms on administration including the civil service. On the other hand, the political rhetoric of prioritization employed later on did not lead to any major transformative change in the civil service. The findings show that this rhetoric was mainly born due to the European conditionality in the context of a prospect to join the Union. However, this conditionality was weak in terms of its effectiveness due to the rough environment of so many interests involved.

Furthermore, the analysis of EU funds, being one of the key mechanisms of conditionality, show that the government was conditioned to adopt several measures in return for budget support of 5.5 million Euros. This financial conditioning is not very attractive to the government considering the political costs of reforming different dimensions of administration, for instance the independent agencies. Currently, as research explained above, the boards of independent agencies are appointed based on

political affiliations and the benefits are high as most of the independent and regulatory agencies have competences on licensing and monitoring various markets. Thus, conditionality in this context is weak as it cannot lead or incentive the government to adopt these measures.

Results show that the major problems remaining in the civil service during this ten-year period include the high number of service contracts, which represents around 10% of the entire number of civil servants. The service contracts are pure political decisions that serve to employ politically affiliated individuals in the administration. This form of employment depicts a highly politicized administration in terms of recruitment. Another result shows that streamlining of independent agencies and their staff remains a major challenge. Agency board members continue to be appointed on the basis of political association and have rights of monitoring and licensing large markets like electricity. These rights bring large financial benefits to the political parties. On the other hand, there were few positive developments during this period including concept clarifications and the longevity of contracts. First, at the beginning during the UNMIK era there was no difference between a civil servant and a public servant, which lead to problems of differentiation in promotion and demotion. Second, the civil servant contracts were made only on the basis of three years, which left space for political interference. Both of these major problems were solved within this period of ten-years with the financial and twinning help of the Union.

The findings show that major problems remain in the civil service independent of advancements made in the legislative and strategic framework. As explained in the methodological section, we employ the Radaelli scale to give a clearer picture of where the civil service stands in the context of EU conditionality. Firstly, it is evident that the civil service did not undergo the *retrenchment* phase meaning that this policy is not less Europeanized due to EU conditionality. Secondly, the findings show that this reform cannot be categorized in the *status quo* phase as changes took place in some aspects of the reform. Thus, classifying it into the status quo would indicate limited observation of findings. Thirdly, for classifying civil service into the transformation phase in the context of EU conditionality, in practice the above results related to problems would not exist. Problems with politicized recruitment would not exist and a merit-based recruitment system would have been in place. A

transformation of the entire system including the behavior and culture of work would have entirely been transformed for better. However, no such changes could be observed during this ten-year period of tracing.

The overall results reflect a civil service that has undergone a set of three major legislative package changes accompanied with secondary legislation and a set of strategies, three being still active. Additionally, other small-scale changes took place like training of civil servants. However, successful implementation of this legislation was interfered by the political elite leading to delays in adoption of secondary legislation and its implementation. In particular, the undue political influence was observed in the recruitment process of senior civil servants and board members of publicly owned enterprises due to the political and financial benefits. Thus, the findings themselves would classify this phase into the Radaelli absorption phase. It is also important to note that the analysis of key documents like country reports, SIGMA reports, international reports, government reports are not in contradiction with the views of CSOs and experts interviewed. The counterfactual effect of the EU conditionality would result in no change in the administration, no matter the scale and effectiveness of these reforms.

The absorption of requirements in the civil service rather than the lack of real reform and transformation in civil service for more than ten years could be explained partially on the basis of high political costs for the ruling elites and a weak conditionality by the EU. Another factor contributing to the absorption phase of civil service and the lack of real transformation is the low professional capacities and the budgetary expenses within key institutions responsible for monitoring and implementing the reforms. This lack of human and financial resources within key public administration institutions has been reiterated in all assessments in view of civil service conducted by the Commission, the SIGMA, government reports, and expert interviews. These costs are considered adaptation costs of the reform adoption and implementation. These key institutions include KIPA which until lately, as discussed in the above analysis, did not have premises and its work was hampered with serious lack of professional capacities; the IOB which is the key protection mechanism of civil servants but is faced with legislative gaps in terms of decision implementation, the DCSA which is in charge of coordinating and implementing all

civil service policies, but is faced with lack of human resources, the MAP which was not seriously viewed as the central body on managing the PAR; the lack of horizontal coordination among all stakeholders in particular the center of government institutions including OPM, MF, MIE. These challenges present medium to high adaptation costs for the government in the context of adoption and implementation of the reforms on civil service, thus leading in delays toward the real reforms.

In conclusion, there seems to be enough evidence to accept the below hypothesis of this research

I Hypothesis: *The higher the political costs of adopting EU good governance regulations the lower the possibility of adopting these regulations.*

II Hypothesis: *The lower the adaptation costs the higher the possibility of adopting EU good governance regulations.*

III Hypothesis: *The higher the EU credibility, the higher the possibility of adopting EU good governance regulations.*

The real reforms were postponed due to high political costs for the ruling elites and they were delayed due to the high adaptation costs for the government. The civil service remained in the absorption phase while adopting various legislative frameworks that were both demanding and onerous. Thus, these reform processes did only fake the real reform by doing the talk of the reform, while the real transformation, which in practice equals successful implementation of the reform and tangible results lacks.

### **Civil Service Reform: A Two Country Comparison between North Macedonia and Kosovo**

Research has shown that in both cases, NM and Kosovo, the EU conditionality has had limited impact in the transformation of the civil service. After a decade (2008-2018), both countries have not managed to achieve nor a good level of preparedness neither a high level of preparedness in meeting EU administrative obligations. As

shown in figure 11, NM remains in the same level of preparedness –a *moderate level of preparedness* (3/5 scale) whereas Kosovo remains in an even lower level of preparedness – *some level of preparation* (2/5 scale). One degree of change in the five-scale preparedness level between NM and Kosovo was expected, considering the fact that Kosovo signed the SAA eleven years after NM did, thus there is more than a decade difference in the implementation of the policy framework.

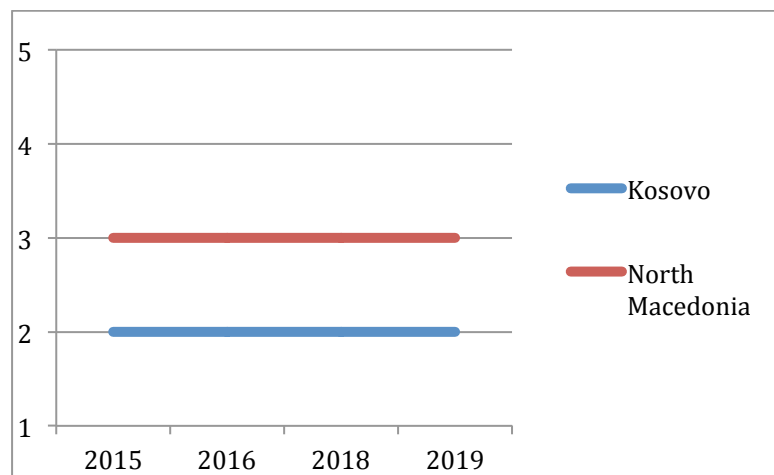


Figure 11 Comparison of the level of preparedness to take on EU membership obligations between North Macedonia and Kosovo  
Source: European Commission Country Reports (2015-2019)

Moreover, the findings disclosed a rampant strategy of amending and adopting new laws on civil service, in both countries, as a response to the EU criticism and recommendations. This strategy has not proven to be successful in terms of bringing any transformative change in any of the countries' administrations. The legal framework was rather used as a 'fake reform' before the EU community, as well as the public at large. Similarly, frequent changes of the legislative framework produced an unstable legal environment for the civil service. Although, at the beginning when laws and by-laws were adopted, expectations were high in the context of bringing changes to the already established patronage-based recruitment and promotion practices across administrations. On the contrary, this form of reform has only managed to delay the process of depoliticizing the administration, while it has managed to improve only small aspects of the civil service. For instance, in the case of Kosovo, the adoption of the new package of laws on civil service has managed to bring out important concept differences between civil servants and public servants. It



has also managed to change the three-year contract policy to a lifetime contract policy, which offered protection from politicization and nepotism to all civil servants.

Likewise the frequent practice of law adoption, analysis depicts the institutional habit of PAR related strategies. Both countries adopted several strategies throughout the decade; however, implementation of these strategies was not in place. One of the factors that accounts to this lack of implementation is the lack of accountability. The strategy was followed by an action plan; however, the accountability line was not clear. The respective ministry in each country sponsored the adoption of a PAR strategy, which included civil service objectives, amongst others; however, it was not held responsible if the objectives were not met. This produced an incentive free environment that led to lack of strategy implementation in both countries.

Civil service has proven to be one of the most difficult dimensions of reform, due to the political cost it carries. The adoption of such reforms, thus, the establishment of a professional and merit-based civil service system, in practice indicates less power for the governing elite. Thus, both countries have to put more coordinated efforts and work in place, and show political willingness in order to move up the scale of preparedness to take on membership obligations.

Furthermore, in terms of implementation of the recommendations deriving from the country reports, as shown in figure 12, on average both countries are found in a similar state of play. From 2008-2018, in no case the countries did manage to fully respect and implement last years' country reports recommendations.

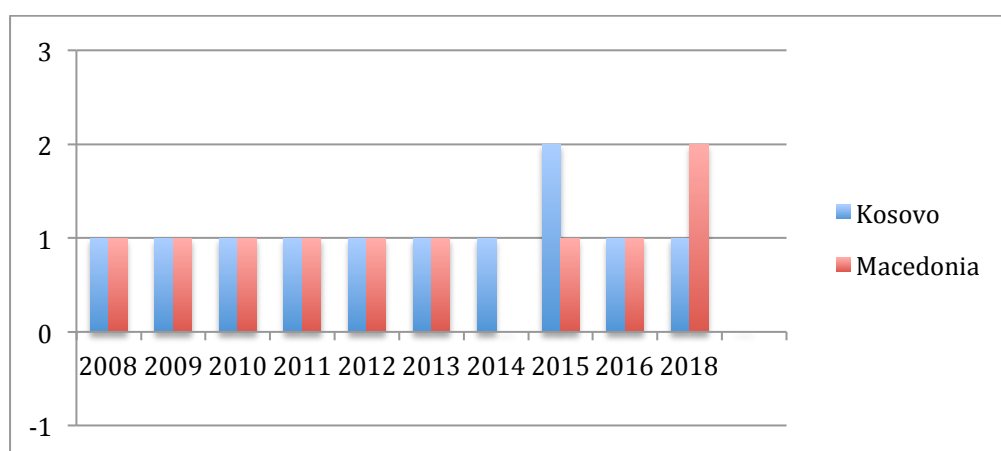


Figure 12 Comparison of the level of compliance data with Commission requirements between North Macedonia and Kosovo

Source: European Commission Country Reports 2008-2018

It is important to note that, none of the countries was assessed to be in a -5 to -1 scale. This indicates that although there was no progress, at least there was no regress. As shown in figure 12, in 2015 Kosovo was assessed to have made good progress in implementing reforms; however, it is not clear why this score was given to the country as the same recommendations were repeated from the previous year and no real progress could be observed during the analysis. Moreover, NM in 2018 was assessed to have reached good progress, and this accounts to the new government established and its expressed willingness through specific actions like depoliticizing of boards.

From year to year, one could observe that a number of good governance related reforms were being repeated in Commission reports and other reports like SIGMA. This indicates that both countries were reluctant in most cases due to the political cost the reforms carried out, but also in some cases they did not have the human and financial capacities to precede with the reforms. On the other side, the EU rewards were not so attractive when compared to the costs of carrying these reforms out. For example, in the case of Kosovo, the EU offered direct budgetary support of €5.5 million to the government upon fulfillment of a set of criteria, one of them being the depoliticizing of the agency boards. The latter presents one of the reforms with the highest political costs, considering the fact that almost all board members are people affiliated with one of the parties in power.

Moreover, in both countries perception data shows that an insignificant lower number of citizens perceive the public sector as the most corrupted sector in the economy, in both countries, as shown in figure 13. In 2018, 56% and 57 %, in Kosovo and NM, respectively, believe that the public sector is the most corrupted sector in the economy. What both perception results conclude is that citizens do not perceive the administration as free from corruption or with a high integrity level.

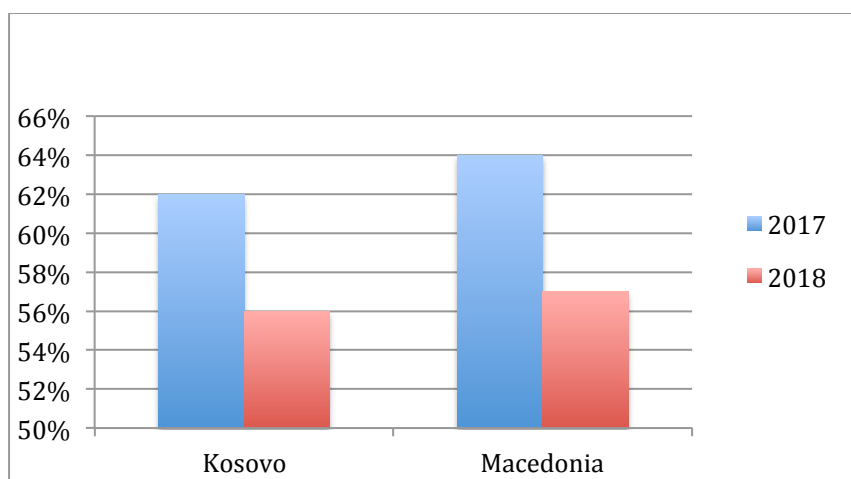


Figure 13. Comparison of Balkan Barometer results on perceptions regarding the most affected sector by corruption in the economy  
Source: Balkan Barometer 2017-2018

In general, this perception data complies with the assessment conducted by the Commission through country reports and SIGMA reports and the viewpoints of experts and CSOs interviewed in both countries. Since, all the reports reviewed and people interviewed assess and perceive the civil service as politicized and with major and similar problems in both countries.

However, once you compare, and if one would compare both countries only according to the Commission reports, the expectations would be that North Macedonian civil service is in a better state of play compared to Kosovo (in particular considering the level of preparedness according to the Commission). These expectations would be more solid once taking into consideration the fact that NM started to implement civil service reforms, amongst others, around a decade earlier than Kosovo. Nonetheless, according to those interviewed, citizen's perceptions, and other international indicators used in this research the state of play and the problems encountered are similar in both countries. Though, the Commission assesses NM to be in a better state of play compared to Kosovo, it remains unclear to what these differences account. Overall, this provides a worrisome picture of the civil service system and, thus the administration integrity, impartiality and independence in both cases.

To sum up, in both cases, NM and Kosovo, there is enough evidence to accept the below hypothesis

I Hypothesis: *The higher the political costs of adopting EU good governance regulations the lower the possibility of adopting these regulations.*

II Hypothesis: *The lower the adaptation costs the higher the possibility of adopting EU good governance regulations.*

III Hypothesis: *The higher the EU credibility, the higher the possibility of adopting EU good governance regulations.*

## **Chapter IV: Fight against corruption in the course of EU Conditionality: the case of North Macedonia and Kosovo**

### **Introduction**

Vulnerability to high levels of corruption and a culture of impunity undermines democratic institutions, government stability, hinders economic development and above all, it erodes the quality of life. From a political point of view, corruption poses a threat to principles of democracy and governance in general while leading to autocratic regimes. From an economic point of view, it prevents foreign direct investment and hampers economic development. It hampers economic growth in a number of ways like fainting the state capacity to raise revenues and/or exaggerating public procurement costs (International Monetary Fund, 2016). In economic terms, according to the United Nations, every year, trillions of dollars – equivalent to more than five percent of global GDP are paid in bribes and stolen –all due to corruption (UN news, 2018). Nevertheless, this phenomenon is widespread in the entire globe, with a particular focus in developing countries and hybrid regimes where its effects are also more destructive. In both categories of countries, poor and rich, the most affected are the poor group of society due to the divergence of financial flow by the government (United Nations Convention against Corruption, 2004). Thus, in an effort to prevent and curb corruption there are a number of initiatives established at the national, continental and global level. These initiatives will be thoroughly discussed below, but before this research does do, it is important to explore the concept of corruption from an academic and policy perspective.

The most basic understanding of corruption is the misuse of public gain for personal benefit. This concept is a reflection of corruption at an individual level, thereby making it only one form of corruption. A similar definition of corruption is provided by the Transparency International “the abuse of entrusted power for private gain” and is classified in three groups as ‘grand’ ‘petty’ and ‘political’ depending on the amount of money lost and the sector it takes place (Transparency International, 2018). Literature also recognizes systematic and institutional forms of corruption. Systematic form of corruption includes the entire rule of law system that also involves tax evasion. Institutional form of corruption takes place when an institution affected is tolerant to corruptive practices (Center for the Study of Democracy, 2010). The latter form can be immensely hazardous and it can lead to regime change. Once any form of corruption involves “public officials and elected representatives, it is inimical to the administration of public affairs” (Council of Europe, 2020). The costs of corruption are high and they include the undermining of people’s trust in institutions, economic, social, and environmental costs, and freedom of speech, amongst others. The World Bank views corruption to have “..a disproportionate impact on the poor and most vulnerable, increasing costs and reducing access to services, including health, education and justice ( World Bank brief, 2018).”

As corruption takes a number of forms, as mentioned above there are also a number of global efforts in the form of organizations or conventions that aim to tackle this phenomenon. The United Nations Convention against Corruption (UNCC) is one of them. UNCC is the only legally binding global anti-corruption mechanism signed by 183 countries, including NM, but excluding Kosovo. UNCC areas of focus include preventive measures, criminalization and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange (United Nations Convention against Corruption, 2004). The Convention recognizes bribery, trading in influence, abuse of functions, and various acts of corruption in the private sector as forms of corruption.

Another global convention is the OECD Anti-Bribery Convention signed in 1997 and as of today it includes forty-four countries. In 2009, signatory parties of the convention adopted two other documents with recommendations named as follows

1. OECD Recommendation for Further Combating Bribery of Foreign Public Officials and
2. OECD Good Practice Guidance on Internal Controls, Ethics and Compliance (OECD, 2009).

These two recommendations were adopted to augment the state's ability to detect, prevent and investigate cases of foreign bribery. Countries are monitored to check if their national legislation is in compliance with the Convention and its implementation. Neither NM, nor Kosovo are signatories of this convention.

G20 Anti-Corruption Working Group (ACWG) is another instrument that plays a crucial role in global anti-corruption efforts. It was established in 2010 during the Toronto Summit with the purpose of formulating anti-corruption policies to share with the G20 leaders (G20 Anti-Corruption Working Group, 2010).

#### *Corruption in the EU:*

As shown above, corruption can take different shapes and happen in various sectors making no one and no institution immune to it. Among those affected by corruption is also the EU, an economic and political union which is bounded and build on values like rule of law and democracy. 76% of Europeans think that corruption is widespread and 56% think that corruption has increased in their country in the last three years (Eurobarometer, 2014). According to the Commission, corruption costs around 120 billion euros a year to the European economy (Migration and Home Affairs, 2020).

Lately, EU members including Hungary and Poland have put EU core values under attack, as never before. Both countries are overlooking European rule of law principles. In more specific terms, the independence of the judiciary and freedom of press are put into question, and civil society organizations are put under pressure in both countries (Bertelsmann Stiftung, Flashlight Interview, 2017). In Hungary, Viktor Orban won the third consecutive term as prime minister, though he was continuously blamed to be a threat to the independent media and CSOs, and the politicization of the administration and the judiciary. At the center of his party campaign –the Fidesz- were his anti- immigration policies including slogans like ‘Hungary is only for Hungarians’ (Reuters, 2018). At a time when Europe was flood

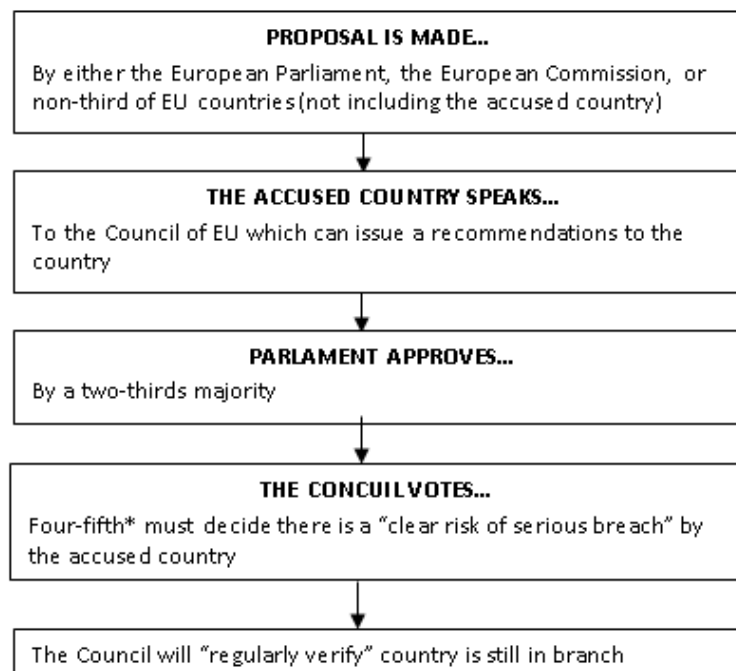
with immigrants from Afghanistan and Syria, it seemed that Hungarians were convinced by Fidesz party's (which came to power in 2010 in Hungary) declarations of preserving Hungary and Hungarian jobs from immigrants. Moreover, in Poland, Poland's Law and Justice party (PiS) (which came to power in 2015), member of the European Conservatives and Reformists group in the Parliament, has also passed a number of constitutional reforms that were seen as a major threat to the independency of the judiciary. The PiS party's attempts to control the Polish Constitutional Tribunal led to the launch of a dialogue under the Rule of Law Framework with the Commission; however, the dialogue did not yield any positive results (Grabbe & Lehne, 2017). Both the Fidesz and the PiS were reported to have continuously captured rule of law institutions, thereby undermining European core values.

However, it took EU supranational institutions a long way until they backed triggering Article 7 of the Lisbon Treaty. On 1 March 2018, the EU Parliament with 147 against, and 422 votes in favor supported a resolution of the Commission's decision to trigger Article 7 sanctions procedures against Poland (Politico, 2018). Moreover, on 12 September 2018, MEPs with 448 voting in favor, 197 against and 48 abstentions, voted pro triggering Article 7 against Hungary on the basis of undermining rule of law institutions.

What is Article 7 sanctions procedure that is also named after as the 'nuclear option'? This Article has not been triggered before in the history of the Union and can be used when an EU member state breaches its core values. This is considered as the most serious 'political sanction' – the suspension of the right to vote, which member states can levy to another members state (Politico, 2018). The below illustration explains how Article 7 activation process looks like.

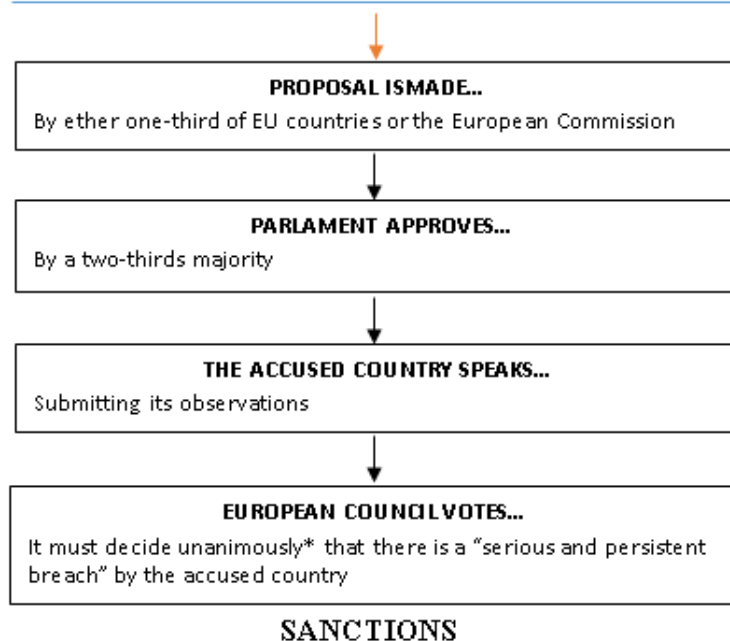
Article 7.1  
The preventative  
mechanism

## “CLEAR RISK OF SERIOUS BREACH” OF EU VALUES



Article 7.2

## “SERIOUS AND PERSISTENT BREACH” OF EU VALUES



Article 7.3  
The sanctioning  
mechanism



Figure 14 . Article 7 on the Consolidated version of the Treaty on European Union

Source: Politico 2018 based on the Consolidated version of the Treaty on European Union



\*Qualified majority: 55 percent of EU countries, comprising at least 65 percent of EU population

It is highly important to highlight that the voting of this Parliament resolution for triggering Article 7 is non-binding and its purpose is limited to putting pressure on members' states. For this voting to be binding, the Council has to unanimously vote in favor. That was considered a high bar, as Hungary would back Poland, and vice versa. Currently, not much has changed and the resolution remains in the Parliament. On January 2020, MEPs again debated Article 7 and called on member states to vote on it. They stressed out the inability of the EU to act upon, although the rule of law and corruption has deteriorated in both countries (EU Observer, 2020). The only move to sanction both countries that took place since the activation of Article 7 was the suspension of the Fidesz party from the European People's Party (EPP) with 190 votes in favor and 3 against (CNN, 2019). EPP being the biggest and the most powerful European Parliamentary Group has also served the Fidesz party as a protective umbrella from external criticism. According to the President of EPP, Mr. Joseph Daul, the suspension means that party members will not be allowed to attend any EPP meetings and will have no rights to propose candidates for any post (CNN, 2019).

Major institutional coordinated efforts to tackle corruption in the EU include the Group of States Against Corruption (GRECO) established by the Council of Europe (CoE). The Council has a multidisciplinary approach that includes three elements a) the setting of European norms and standards, b) monitoring of compliance with the standards and, c) capacity building offered to individual countries and regions. The GRECO's objective is to monitor State's compliance with the CoE's anti-corruption standards (GRECO, 2020). It is important to mention that GRECO members are not limited to CoE member states; USA and Kazakhstan are also members. NM, a member of CoE, joined GRECO in 2000, while Kosovo is neither a member of CoE, nor of GRECO. NM has been subject to a number of evaluations conducted by GRECO. Depending on the identified problems, these reports encompass recommendations toward improving the level of compliance with the required standards.

The above-discussed events portray a time when the Union is embroiled in the worst rule of law crisis since its foundation following the authoritarian behavior of two Member States toward disrespecting Union's core values. The picture becomes more worrisome when one takes into consideration the lack of political will in the Council to act upon this democracy crisis, despite the activation of Article 7 TEU. As such, the current EU decision-making (unanimous vote Article 7.2) process makes it almost impossible to sanction any country, politically or economically, once they are 'part of the big club'. Given that, and considering major problems with high levels of corruption in enlargement countries, the fight against corruption is one of the key European Partnership priorities with these countries.

#### *Corruption in the Western Balkans:*

Anti-corruption criterion is embedded in all enlargement documents, political statements, and country report assessments made by the Commission. This policy has gradually evolved to being a 'fundamentals first' in the 2013 enlargement strategy.

Political written commitments were made in Berlin by WB heads of state, to foster governance. In particular, point ten of the final declaration under the section of good governance, discusses the need to take the necessary measures to tackle corruption and organized crime (EU-Western Balkan Summit in Berlin, 2014). Additionally, they note the need to improve the legal certainty and the independence of judiciary. In the 2015 Vienna summit, under the rule of law and good governance section, the highlight was put on advancing efforts to fight corruption and organized crime (EU-Western Balkan Summit in Vienna, 2015). Later on, in the Sofia WB Summit, fight against corruption was also one of the 17 points put down on the joint declaration of EU leaders and Balkan partners (EU-Westerns Balkans Summit in Sofia, 2018). As illustrated, anti-corruption zero-tolerance policy has been part of various public declarations and commitments including those of high political dialogue between the EU and the Balkans. These declarations served the media and the public at large to put pressure on governments and their leaders to fight such phenomena, but also to remind them that such fight is critical in their EU path.

Moreover, lately, a major boost to the fight against corruption is proven by the fact that Albania was conditioned on opening of accession negotiations with the EU upon

demonstrating effective fight of this phenomenon through the vetting process. Another recent example is the EU leaders agreement to grant visa liberalization to Kosovo subject to the country making sufficient progress in effective fight against corruption. The EU have gone further by targeting a set of criminal cases for Kosovo courts to solve and was regularly involved in monitoring these specific cases (Evropa e Lire, 2018).

These examples show how important is the successful fulfillment of this criterion, in order for countries to advance further in their integration path. The EU's commitment and support for such criteria toward enlargement countries is partly explained with the values the Union is bounded with and functions. Another part of the justification relies on the latest problems with democracy backsliding in two European countries – Hungary and Poland. In addition, the EU does not want to open its doors to any country that has a weak rule of law due to the potential problems it can bring to the 'club'. But, to what extent has the country of NM and Kosovo managed to fight corruption while being subject to EU conditionality? In the below section and before individual country research, this section provides a general overview of where the two WB countries stand according to worldwide indicators that measure this phenomena.

One of the leading and most credible global indicators of public sector corruption is the Corruption Perception Index (hereinafter CPI) by Transparency International (TI). Thus, it is highly important to analyze the perceived levels of corruption according to the CPI. Kosovo has been added to the CPI only in 2010, thus we lack data for 2009 and 2008, while for NM all data is complete for 2008-2018. As shown in the below figure fluctuations have been insignificant during a decade.

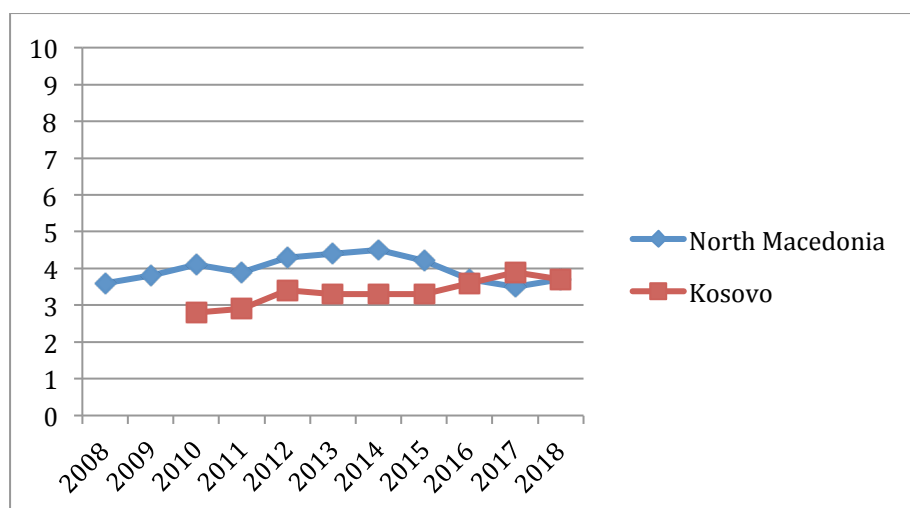


Figure 15 Comparison of CPI by Transparency International between North Macedonia and Kosovo

Source: Author's compilation based on Transparency International Reports for North Macedonia (2008-2018) and Kosovo (2010-2018)

Both countries over the years remain below 5/10, meaning that none of the countries reached the half level of cleanness. NM has reached the highest CPI score (4.5/10) throughout this decade. The CPI has been the lowest in Kosovo in 2008 (2.8/10), putting the country in the group of highly corrupt countries in the world, and the most corrupt in Europe. However, in 2018 the CPI score is 3.7/10 in both countries indicating the same level of corruption perception regardless of their respective stage of integration. Although NM, a candidate country, is the first country to have signed the SAA in the region, subsequently it has started to implement a number of policy reforms including those related to anti-corruption, almost a decade earlier compared to Kosovo- the last country to sign the SAA and only a potential candidate. This said, the expectations were that NM would score higher compared to Kosovo. However, a similar worrisome picture of corruption perception is present in both states. This could be interpreted as an indication that the conditionality itself cannot result in successfully fighting this phenomenon. There are other domestic conditions like political willingness that are crucial to effectively prevent and curb corruption. In the below sector we process trace the reforms in anti-corruption policy from 2008-2018 within the framework of EU conditionality.

## Advancement or Sluggishness of the Anti-Corruption Policy: the case of North Macedonia?

The Balkans suffers from widespread corruption, and from ‘powerful patronage networks that have infiltrated and consolidated their control of state institutions’; NM is no exception (Transparency International, 2020). In the global setting, according to the CPI index - NM belongs to the group of corrupted countries. As shown in figure 16, NM within a decade has not managed to achieve a half level of cleanness. The perception scores for NM range from 3.5<sup>11</sup> (out of 10) to 4.5 (out of 10) (CPI 2008-2018). For comparison purposes, it is important to highlight that countries scoring the top are at most times Scandinavian ones and those at the bottom of the list include countries like Somalia. The average country score is 4.3/10, while NM scores in the same pot with the Balkan countries, with insignificant differences.

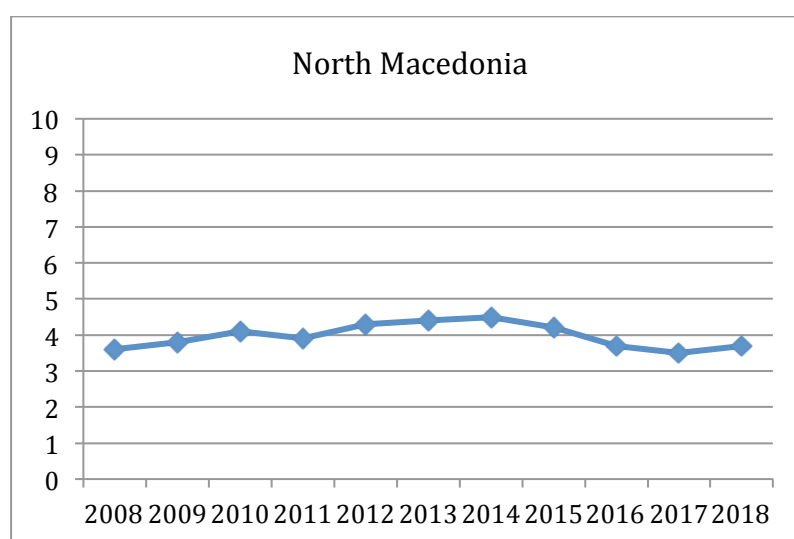


Figure 16. CPI data on North Macedonia (2008-2018)

Source: Author's compilation based on CPI

People in NM view political parties and the judiciary as the most corrupted categories in the economy, with 80% and 79%, respectively (Balkan Barometer, 2018). The respondents were asked to select among a number of other categories including medical services, parliament, media, NGOs, religious bodies, etc. The results for NM are similar to other Balkan countries that also view political parties and the judiciary,

<sup>11</sup> CPI: The closer to 10 the cleaner a country is, the closer to 0 the more corrupt it is.

accompanied by medical services, public servants and media as most corrupted categories in their economy.

Moreover, the Commission, on annual basis, assesses the anti-corruption progress, or the lack of thereof, in NM. Figure 17 exposes the North Macedonian level of preparedness to meet EU obligations in anti-corruption and figure 18 presents the level of progress/regress from year to year, for a period of four and ten years, respectively.

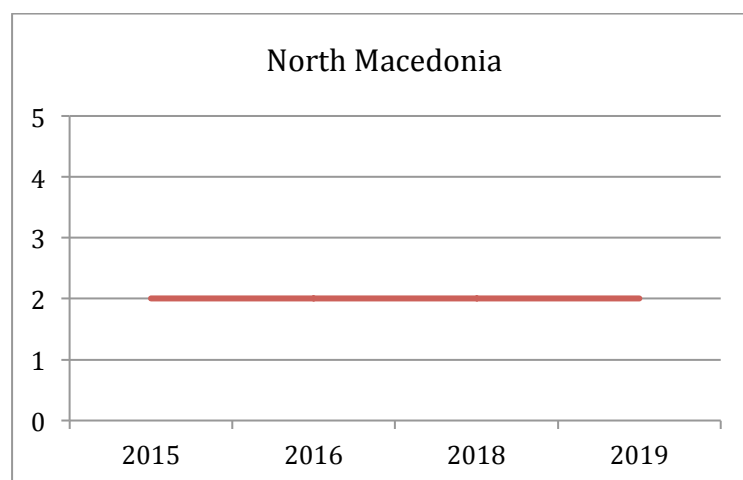


Figure 17. North Macedonia level of preparedness on anti-corruption policy (2015-2019)

Source: Author's compilation based on Commission country reports for North Macedonia

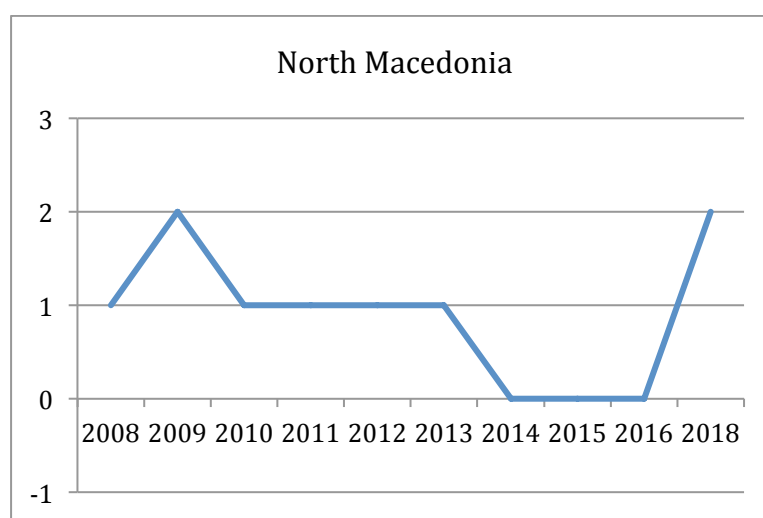


Figure 18. North Macedonia level of progress on anti-corruption policy (2008-2018)

Source: Author's compilation based on Commission country reports for North Macedonia

NM has some level of preparedness to meet EU obligations in the anti-corruption policy. However, this level of preparedness, as shown in figure 17, has remained the same over the period of four years. In terms of the progress made, as shown in figure 18, NM has made some progress in few years. For instance, 2009 and 2018 were marked with progress; 2010 and 2013 have shown no progress; 2014-2016 have shown regress. 2009 is the year the NM got visa liberalization, thus the enthusiasm for reform was high; 2018 marked a positive turning point in the political context of NM, since the new government was elected in 2017 after a long political stalemate situation. According to Kacarska, the government took concrete actions toward fighting corruption and spread a positive sentiment across the administration and the people, hence the positive assessment from the Commission (Interview with Simonida Kacarska, 2020). In view of this, in the below sections the analysis will trace all EU – NM policy documents that feature anti-corruption and aim to measure the advancement and sluggishness made within years.

In NM a number of awareness raising, coordinating, preventive, investigating, sanctioning mechanisms and a legislative package that aims to prevent and combat corruption were established within years. Most of these mechanisms derive from external influence in the country and it is hard to find evidence that a similar initiative has taken place without any influence from the outside. Given that, most of the below discussed legal and institutional mechanisms prove to be part of the conditionality framework set in the SAA, Country Report, the High Political Level Dialogue, Expert Conclusions between EU and NM.

### **Anti-Corruption Policy 2008-2013**

In June 2008, for the first time - early parliamentary elections were held in NM and a new government led by the head of the coalition VMRO- DPMNE- called “for a better Macedonia”, Mr.Nikola Gruevski, was established (Komisioni Shteteror i Zgjedhjeve, 2008). Similar to previous governments, Mr. Gruevski vowed to fight corruption during his mandate.

According to the Commission report, corruption at the time that Mr. Gruevski took office was already a serious problem for the administration. In particular, the report

underlines “*Some further progress has been made in implementing anti-corruption policy, which is a key priority of the Accession Partnership. The legal and institutional framework has been strengthened and some further results have been achieved in implementation. However, corruption remains a particularly serious problem* (Commission Progress Report on NM, pg 15. 2008).” Moreover, the perceived level of public sector corruption in NM was ranked 3.6/10 (Corruption Perception Index, 2008). This perception scale is considered low and places the country in the category of corrupted countries along with the Balkan region.

In response to the prevalent corruption, previous governments of NM adopted a number of national anti-corruption strategies, independent bodies and legislation.

*Institutional Framework for fighting corruption:*

(a) The main independent anti-corruption body responsible for preventing corruption and conflict of interest is the State Commission for Prevention of Corruption (hereinafter the SCPC). The SCPC was established in accordance with the Law on Prevention of Corruption (SCPC Annual Report, 2009). The SCPC is responsible for overall coordination and implementation of Anti-Corruption Programs and Action Plans of the Programs. The SCPC does not have prosecutorial powers; however, according to the Law on Prevention of Corruption it can request from any public official suspected of corruption to submit to the Commission information about his or her assets and or relevant data (Law on Prevention of Corruption, 2002). Given that, it has investigative, preventive and policy functions. According to the Law on Prevention of Corruption, SCPC is competent for coordination of development and for adoption of the national anti-corruption strategy. Moreover, the seven members of the SCPC are appointed by the Parliament with 5 years tenure, whilst the members themselves elect the head for a 1-year tenure. The Parliament also has the authority to remove members of the SCPS including the head of the Committee.

Furthermore, the SCPC, in 2008, adopted the State Programme for Prevention of Conflict of Interests accompanied by the action plan for a period of three years - 2008-2010. An anti-corruption strategy adopted by the SCPC in 2007 for a period of 2007-2011 is still applicable and is accompanied by another government anti-corruption plan for fighting corruption for the same period (2007-2011).



(b) Another important anti-corruption body in charge of carrying out important high-level corruption investigations is the Sector for Organized Crime and Corruption, a department under the Sector for Internal Control and Professional Standards within Ministry of Interior.

(c) The Specialized Prosecutor's Office for Fighting Organized Crime and Corruption is an autonomous state authority that prosecutes the perpetrators of corruption acts as determined by law, having jurisdiction on the entire territory of the country.

*Legislative Framework for fighting corruption:*

In 2008, the anti-corruption legislative framework consists of two key laws the Law on Prevention of Corruption (2002) and Law on Prevention of Conflict of Interests (2007). How is corruption conceptualized according to this legislation – “Corruption, in terms of this Law, shall mean misuse of office, public authorization, official duty and position for the purpose of gaining any benefit for oneself or others (Law on Prevention of Corruption, 2002).”

The Law on Prevention of Corruption is composed of eight chapters as follows:

- i. *Chapter one: general provisions*
- ii. *Chapter two: prevention of corruption in politics*
- iii. *Chapter three: prevention of corruption in performance of public authorizations*
- iv. *Chapter four: prevention of conflict of interest*
- v. *Chapter five: state commission for prevention of corruption*
- vi. *Chapter six: prevention of corruption in performance of public interest activities and other activities of legal entities*
- vii. *Chapter seven: penalty and misdemeanor provisions*
- viii. *Chapter eight: transitional and final provisions* (Law on Prevention of Corruption, 2002).

The Law addresses a number of corruption dimensions including conflict of interest, corruption in politics, and the independent anti-corruption body- entitled state commission, and other illegal activities.

The Law on Prevention of Conflict of Interest is composed of thirteen chapters as follows:

- i. *Chapter one: general provisions*
- ii. *Chapter two: meanings of the terms and expressions used in this law*
- iii. *Chapter three: principles of operation*
- iv. *Chapter four: proceedings in the case of conflict of interest*
- v. *Chapter five: exemption*
- vi. *Chapter six: prohibition on accepting gifts*
- vii. *Chapter seven: limitations after leaving office*
- viii. *Chapter eight: membership in trade companies, managerial and supervisory board in trade companies*
- ix. *Chapter nine: prevention of conflicts of interest in activity in citizens associations*
- x. *Chapter ten: competence of the state commission*
- xi. *Chapter eleven: procedure before the state commission*
- xii. *Chapter twelve: types of measures*
- xiii. *Chapter thirteen: transitional and final provisions* (Law on Prevention of Conflict of Interest, 2007).

The objective of this law is to prevent abuse of power and disclosed public authorization by officials in accomplishing personal duties. The institution responsible for implementing this law and the Law on prevention of corruption is the SCPC.

The support of the EU as part of its conditionality framework can be featured in the work of the SCPC. The SCPC received the support for the Project Fiche 2010 for the IPA Funds. The EU project aimed to directly support the overall capacity of the institutions involved in fight against corruption (SCPC Annual Report, 2009).

In 2009, the legislative framework continued to be changed, amended and aligned with the EU *acquis*, yet it remained fragmented subsequently generating implementation challenges (Commission Progress Report on NM, 2009). The legislative framework amended during this year to improve transparency and, thereby fight corruption includes the following:

⇒ The law on financing of political parties;

- ⇒ The law on conflict of interest;
- ⇒ The electoral code.

Furthermore, most of the GRECO recommendations were followed up. The GRECO evaluation discussed articles of the Criminal Law Convention on Corruption and Corruption in the Funding of Political Parties and Electoral Campaigns (GRECO Third Evaluation, 2010). In addition, the Government Council responsible for monitoring the anti-corruption strategy adopted in 2007, met frequently to show that political priority is given to the issue (Commission Progress Report in NM, pg 16. 2009).

However, the implementation of the legislative framework remained deficient. A number of provisions in the law of asset declarations, conflict of interest and financing of political parties are not implemented effectively (Commission Progress Report in NM, pg. 17. 2010). For instance, sanctions are foreseen in the financing of political parties legislation, however, supervisory bodies applied no sanctions, although few political parties breached the law.

Two other key problems that led to increase of corruption in the public sector are the ambiguities in the interpretation of the law on public access to information and on the legislation on protection of whistleblowers. These deficiencies led divergent interpretations of what is public and what not and reporting of corruption remained low throughout the administration (Commission Progress Report in NM, pg.17. 2010).

A number of other problems in the anti-corruption policy, as reported in the Progress Report, include the issue of confidentiality with asset declarations and declarations of conflict of interest. Due to the confidentiality of the data they are not being checked on substance making the process merely a formal one without any tangible outcome.

“Further amendments were made to the legal framework for anti-corruption policy, which is a key priority of the accession partnership .... Limited progress was made in implementation ..... Corruption remains prevalent in many areas and countries to be a serious problem (Commission Progress Report on NM, pg.15. 2011). ” This

assessment of the state of play is an indication that the government was merely adopting new laws in response to the criticism coming from the EU for the lack of effective fight against corruption. This approach, in the long term, does not produce any tangible results in the fight against corruption, if concentrated efforts lack in implementation. In terms of the strategic framework, the Commission adopted a new state program for prevention and repression of corruption and for prevention and reduction of conflict of interest, followed by an Action Plan for 2011-2015.

Moreover, perceptions of corruption in NM continue to remain low. According to a UNODC report “more than one third of citizens (36%) believe that corruption is actually on the rise in NM, while another 36 per cent believe it to be stable and a further 29 per cent think it is decreasing (UNODC, 2011).” Overall, these results could be interpreted as 70% of the population being not happy with the current approach to the fight against corruption by the government.

A new early parliamentary election took place in NM on 05 June 2011. The same party, the VMRO-DPMNE won the majority of the seats. Mr. Nikola Gruevski was elected for the third time as Prime Minister of NM. In his victory speech he declared that his government will work on attracting investments and creating jobs, on EU and NATO membership, the fight against corruption, and maintaining good multi-ethnic relations and supporting education (BBC news, 2011). Once again, fight against corruption remains one of the top government priorities in the public declarations of the Prime Minister.

However, according to civil society in NM, the Commission, the State Audit Office, and the Public Prosecution, the government was not effectively combating corruption (Balkan Insight, 2012). According to the same source, North Macedonians pay about a billion euro in bribes, which is about half of the national budget revenue (2.3 billion euro). Gruevski was also considered a synonym of state of capture (Interview with Ivan Stefanovski, 2020).

Again, the legislative changes are the first advancement noted in the 2012 Commission’s report “further amendments were made to the legal framework” (Commission Progress Report on NM, pg 12. 2012). However, severe implementation

remains in place, regardless of the solid anti-corruption package of laws adopted (Nations in Transit, 2012). During this year, two laws were amended to improve the verification and enforcement powers of relevant authorities:

- ⇒ Law on Financing of Political Parties
- ⇒ Law on Prevention of Conflicts of Interests

This indicates that zero-tolerance policy toward corruption by the NM government is mainly translated into new or amended legislation. This approach is necessary; however, it has not shown to be sufficient for fighting corruption.

Two key problems of NM anti-corruption policy failure include the government efforts to mainly fight public perception over its fight against corruption, rather than fighting corruptive practices and the selective anti-corruption law implementation (Bertelsmann Stiftung Report on NM, pg. 12. 2012).

Another year passed and the implementation of the legal framework related to political party funding and free access to public information remains deficient (Commission Progress Report on NM, pg. 16. 2013). Major problems remain with the administrative and financial capacities of relevant institutions in fighting corruption. The Commission, the Anti-Corruption unit in the Ministry of Interior, and the State Audit Office are understaffed and underfunded. In particular six out of eighteen positions in the Anti-Corruption unit are vacant still. In view of the extra responsibilities related to the supervision of political parties given to the Audit office, it should have had more human and financial resources allocated to it, yet all resources linger the same (Commission Progress Report on NM, pg.17. 2013).

*To sum up*, these five years of reform are still at an early stage of the absorption phase accompanied with lack of political will and followed with two early parliamentary elections (2008 and 2011). Both the political will and political stability present two necessary domestic conditions for conditionality to produce any results, yet both were lacking. Thus, from year to year, the same problems in fighting corruption were reiterated in all international and local assessments. Either there is any transformative change in anti-corruption policy, neither it remains in a status quo phase, as both the

legislative and institutional frameworks were being consolidated; yet implementation was deficient. Evidence suggests that a rampant method of adopting and amending new legislation as a ‘successful’ response to the criticism from the EU and civil society was present through this half a decade.

### **Anti-Corruption Policy 2014-2018**

New presidential and early parliamentary elections were held on April 2014 in NM, as the members of the assembly voted unanimously to dissolve the parliament. The VMRO-DPMNE coalition won again. They won the majority in the parliament with 61 seats and consolidated power (Bertelsmann Stiftung Report on NM, pg.13. 2016). However, a number of irregularities related to various election dimensions were reported. The OSCE/ ODIHR in their final assessment report highlighted a need “to ensure a separation between party and state activities” and “to investigate allegations of intimidation” (OSCE/ODIHR Final Report, 2014). Other shortcomings were repeated from previous elections related to the misuse of state resources during campaign and ambiguities related to the length of the campaign. Serious irregularities and electoral fraud related to voter’s list during the process were also identified (Konrad Adenaur Stiftung Report, 2014).

Following election irregularities, the opposition leader of the Social-Democrat (SDSM), Mr.Zoran Zaev, declared that they do not recognize the election results subsequently refusing to accept parliamentary mandates (Euroactiv, 2014). The opposition asked the establishment of an interim government until new free and democratic elections can be hold. According to Zoran Zaev, Gruevski had full control over the votes, thus altering the election results. All these events were looming a political crisis in the country.

These were the third early parliamentary elections in a row since 2008 demonstrating a state a political instability in NM. Frequent elections and subsequently a state of political instability leads to delays in the adoption of the legislative plan and other measures necessary to build a solid infrastructure for good governance. The legislative plan is mainly based on the conditionality framework with the EU. Thus, the EU agenda is ‘put on hold’ as political problems top the government agenda. This

status quo state of play is reflected in the coming assessments of the Commission, civil society, and other international organizations.

The opposition continued to boycott the parliamentary life, and the opposition leader accused PM Gruevski to have wiretapped the conversations of about 20,000 journalists, political figures, and religious leaders. All this was done with the help of the intelligence chief, who was Gruevski's cousin, according to opposition. The opposition leader, Mr. Zaev, released a number of recordings that demonstrated how PM took control over the government. In the meantime, the parliamentary life continued to be boycotted for more than a year, until the EU intervened to mediate a dialogue between the position and opposition parties.

An agreement, named after - as Przino Agreement is the political agreement reached between the position and the opposition, on 02 June 2015, with the mediation of the European Union (Przino Agreement, 2015). The agreement foresaw the establishment (a) of an interim government, (b) the resignation of Gruevski, and (c) early elections on June 2016. The agreement marks the return of the opposition to the parliament. Most importantly, the agreement marked the end of the political and institutional crisis in the country.

Since early elections in April 2014, the country was faced with political and institutional crisis, subsequently putting the reform agenda (including all policies related to anti-corruption) 'on hold' for more than two years. Political polarization has stalled progress toward European Union membership (Bertelsmann Stiftung Report on NM, pg. 15. 2016). This demonstrates that domestic conditions like political stability are a necessary variable for reforms to occur; on the contrary the conditionality itself will not produce any tangible results.

This 'status quo' of reforms was portrayed in the assessments made by international organizations and civil society. The Commission notes, "No progress was achieved in the past year...", although NM for more than a decade has worked on establishing a legislative and an institutional framework in fighting corruption (Commission Progress Report on NM, pg 15. 2015). One of the main problems identified was the political interference in the work of the relevant bodies in combating and preventing

corruption. Moreover, the NM CSOs platform for Anti-Corruption had monitored the wiretap scandal and has publicly called upon relevant institutions to act (CSOs Platform against corruption on NM, 2015). They directed a number of recommendations to the Public Prosecution, the Commission and the Court Council to act upon the alleged malpractices, unlawful treatment and corruption.

Since the reforms were slowing down, mainly due to the lack of political will, a high level political dialogue was introduced in 2015 between EU and NM. This dialogue - named after as Urgent Reform Priorities prioritized reforms in the fields of 'Rule of Law and Fundamental Rights' 'De-politicisation of the Public Administration' and 'Freedom of Expression and Electoral Reform' (European Commission. Neighborhood and Enlargement Negotiations, 2015). This set of priorities was drafted in accordance with the findings of the Senior Expert's Group and the yearly recommendations of the Commission. Following these priorities and the state of play, the 2015 Country Report highlighted the following recommendations for NM to consider and implement in the coming year:

- ⇒ *demonstrating real political will in the fight against corruption in the form of autonomous and effective measures by law enforcement and supervisory bodies, notably the State Commission for Prevention of Corruption;*
- ⇒ *increasing the visibility of anti-corruption measures and the results achieved to improve public awareness and trust;*
- ⇒ *developing a credible track record on fighting high level corruption;*
- ⇒ *relating an effective framework for the protection of whistle-blowers, in line with European standards and best practices (this recommendations derives from the URP) (Commission Country Report on NM, pg. 16. 2015).*

One year later, in 2016, no progress was achieved on outstanding anti-corruption issues and in implementing last year's recommendations (Commission Country Report on NM, pg 14. 2016). In the meantime the opposition was boycotting the parliament, whereas the position ignored the boycott and proposed constitutional changes (NM Bertelsmann Stiftung Report, pg. 12. 2016). Thus, significant delays in



all other reform dimensions, including those related to anti-corruption took place, as all the capacities and efforts were coordinated to solve political problems.

Hence, the Commission was obliged to repeat the four recommendations from the last year's report and added one related to the composition of the Commission, as follows:

- ⇒ *demonstrating real political will by providing law enforcement with necessary autonomy, specialised staff and equipment and by defining clearly specific objectives and indicators to measures achievements or failures;*
- ⇒ *reviewing the status and composition of the State Commission for Prevention of Corruption (SCPC) to make it more transparent, merit-based and independent from political parties;*
- ⇒ *improving public awareness and trust in the fight against corruption by increasing the visibility of anti-corruption measures and the results achieved;*
- ⇒ *developing a credible track record on fighting high-level corruption, including asset recovery (as per the 'Urgent Reform Priorities');*
- ⇒ *implementing an effective legal framework for the protection of whistle-blowers, in line with European standards (as per the 'Urgent Reform Priorities') and Venice Commission recommendations (Commission Country Report on NM, pg 15. 2016).*

Repetition of recommendations from year to year is another argument that supports and suggests that the domestic conditions like the political instability and political polarizations caused the no progress made in the previous years.

Furthermore, new parliamentary elections were held on 11 December 2016, having originally been planned for 24 April and 5 June with the EU mediated Prizno Agreement. Only almost six months later, on 31 May 2017, a new government led by Mr. Zoran Zaev, preceding opposition leader, was established. Another six months were 'lost' in the process of negotiations amongst political parties to form the government, as none won the 61 majority of seats needed to form a government on its own.

A feeling of positive change and enthusiasm was present across society since the establishment of the new government in May 2017 (Interview with Zoran Nechev,

2020). According to the interviewee, there was real energy for change translated into specific actions toward the depoliticizing of the administration by the incoming government, like the dismissal of politicized agency boards. The Commission assessed that there was an incentive and willingness for reforms since summer 2017 by the new government. The political willingness was accompanied by concrete steps in the preparation of overdue strategies and legislation, and consultations with other stakeholders (Commission Country Report on NM, pg.12. 2018). As shown in figure 17, the overall level of progress in NM was increased from no progress (0) in 2016 to good progress (2) in 2018. However, sustained efforts are needed to maintain this momentum of reforms. Overall, during the last year, the highlight was the establishment of the government, which was considered as the most severe political crisis since 2001. The new government was considered new reform-oriented and one that has taken specific steps to address corruption in the country.

To sum up, 2013-2018 period is characterized with severe political and institutional crisis that led to an immensely slow course of reform. This period was accompanied with two early parliamentary elections, and an evident lack of political will to change and advance the anti-corruption agenda, except from summer 2017 when the new government was established. For more than two years all reforms, in particular those related to anti-corruption were put 'on hold'. The most frequent term encountered in the Commission reports' for this period was either no progress or the legislative and institutional framework was developed; yet the same problems were repeated from year to year. This is an indicator that no real transformation took place, while implementation remained deficient.

### **Discussion of Results**

In NM, this decade (2008-2018) was characterized with political and institutional instability accompanied with four early parliamentary elections. According to the NM legal framework a government mandate is four years; however, on average, new elections took place every two and a half years. Thus, in simple terms, in another parallel NM country with political stability four new elections would be held within a twenty-year framework instead of a ten-year framework. This political instability has put the reform agenda 'on hold' for few years and a number of months. In particular, the political parties were putting lots of efforts in building coalitions and preparing

their election campaigns rather than on implementing and advancing the EU related reforms including the anti-corruption agenda. As shown in figure 17, according to the Commission no progress was made between 2014-2016 in anti-corruption policy. This was mainly due to the preliminary elections that took place in 2014, but were not recognized by the opposition leader subsequently leading to the boycott of the parliament. These steps led to the paralysis of the institutional life and were accompanied with a number of protests, until a new government was formed in 2017. In addition, the lack of political will was evident throughout this period. Most of the recommendations from the EU in the framework of good governance conditionality were being repeated from year to year, due to lack of political will to adopt and implement such reforms.

The analysis through process tracing evidences a North Macedonian mode of adopting new legislation and new bodies and mechanisms in fighting corruption in response to the national and international criticism in fighting corruption. However, this approach did not produce any tangible results in this fight due to a number of challenges. First, as mentioned above, the absence of domestic conditions hampered the reform process. Second, the strategic framework suffers from the lack of binding mechanisms and suffers from poor accountability. Third, in a number of cases the anti-corruption strategy is not underpinned by a budget or an estimation of necessary resources. At the same time, implementation of the strategy and action plan requires more ownership by all involved actors and continuous support at the highest political level and commitment from all involved. Fourth, the frequent changes in legislation were causing an insecure legal environment. For instance, the most frequent term encountered in the Commission reports' for this period was the legislative and institutional frameworks were being developed. All these are an evidence of the lack of transformation in the anti-corruption policy.

In conclusion, there seems to be enough evidence to accept the below hypothesis of this research

I Hypothesis: *The higher the political costs of adopting EU good governance regulations the lower the possibility of adopting these regulations.*

II Hypothesis: *The lower the adaptation costs the higher the possibility of adopting EU good governance regulations.*

III Hypothesis: *The higher the EU credibility, the higher the possibility EU good governance regulations.*

As explained in theory (in chapter II) the absence of domestic conditions discussed above was paving a quiet difficult environment for reforms to take place. The real reforms were faked with the adoption of new legislation and bodies in fighting corruption. They were postponed due to high political costs for the ruling elites and they were delayed due to the high adaptation costs for the government. At the same time, the appealing of EU rewards as compared to the reforms costs was low and did not create an incentive high environment for the government. The anti-corruption policy remained in the absorption phase, while the real transformation, which in practice equals successful implementation of the reform and tangible results lacks.

### **Advancement or Sluggishness of the Anti-Corruption Policy: the case of Kosovo?**

Corruption remains a major problem and a slow progressing area that continues to erode public confidence in the ability of the Kosovo authorities to deliver justice. What is corruption according to Kosovo legislation- corruption is “any abuse of power or any other behavior of official person, responsible person or other person for the purpose of achieving or obtaining of an advantage for him/her-self or for illegal profit for his/her self or any other person” (Law on Anti-Corruption Agency, 2010). People in Kosovo view political parties and public officials as one of the most corrupted categories in the economy, 69% and 60% respectively (Balkan Barometer, 2018). A similar discouraging poll result related to perception of corruption in the public sector is that the majority of people feel that hard work means less than connections when it comes to succeeding in the public sector (6.8 in a scale of 1 agree – 10 disagree) (Balkan Barometer, 2018). Yet another crucial perception indicator that portrays a similar picture of the state of play is the global CPI, which assesses Kosovo

as a country that belongs to the group of corrupted countries rated with 2.8/ 10-the lowest (2008) to 3.9 /10 – the highest (2017).

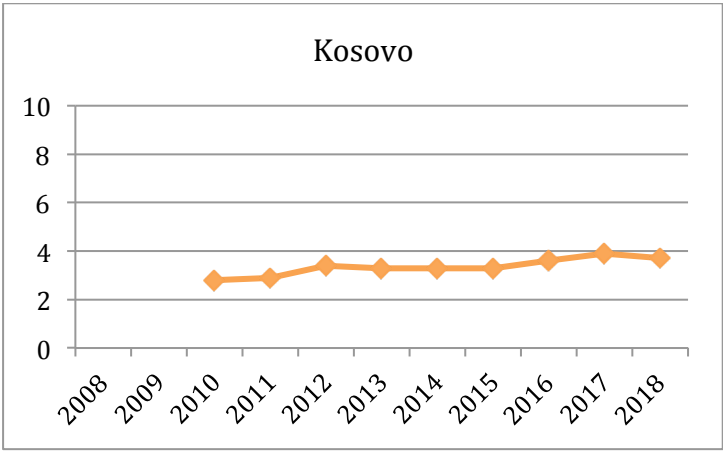


Figure 19. CPI data on Kosovo (2010-2018)  
Source: Author’s compilation based on CPI

This data shows that corruption related perception indicators remain similar over the years, although there is a number of institutional and legislative initiatives that have been adopted, by the government, as a response to the widespread perception corruption. These initiatives will be discussed below.

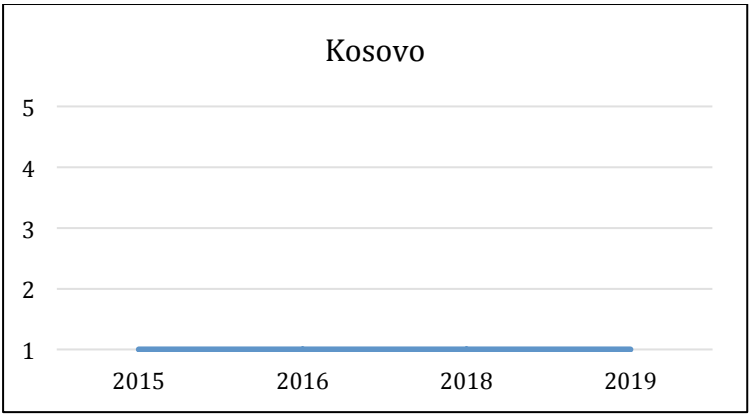


Figure 20. Kosovo level of preparedness on anti-corruption policy (2015-2019)  
Source: Author’s compilation based on Commission country reports for Kosovo

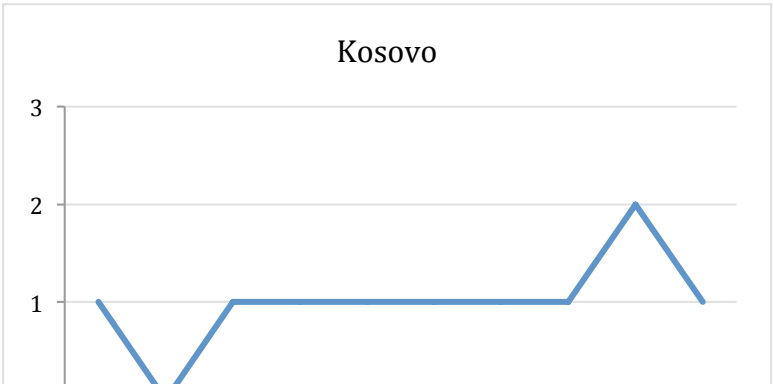


Figure 21. Kosovo level of progress on anti-corruption policy (2008-2018)  
Source: Author's compilation based on Commission country reports for Kosovo

During the years, Kosovo remains in an early stage of preparedness (1/5) to meet EU obligations in the anti-corruption policy. However, this does not automatically translate in no progress made over the years. On the contrary, as shown in figure 20 which measures progress from one year to the next, progress was evident in 2010 and in 2016, whilst regress in 2009 and 2018. Notably, no progress was assessed for a long period of five years (2010-2015). Figure number 20 and 21 portray the big picture in a period of four and ten years, respectively. Yet, in the below sections the analysis will trace all EU –Kosovo policy documents that feature anti-corruption and the advancement or sluggishness made over the years.

Moreover, there exists a number of awareness raising, coordinating, preventive, investigating, sanctioning mechanisms and a legislative package that aims to prevent and combat corruption. Most of these mechanisms derive from external influence in the country and it is hard to find evidence that a similar initiative has taken place without any influence from the outside. Given that, most of the below discussed legal and institutional mechanisms are part of the conditionality framework set in the Country Report, SAA, or the High Political Level Dialogue- ERA.

#### **Anti-Corruption Policy 2008-2015**

The government pursuit of a zero-tolerance policy against corruption can be traced since the establishment of the Kosovo institutions; though, this research traces it back since 2008 (as explained in the methodology). Following the November 2007 elections, in 2008 Prime Minister Thaçi took office, and once he did so – he promised that his cabinet will be committed to fighting corruption (Lëvizja Fol, 2011). The new government found an uncompleted legislative and a disintegrated strategic framework. The weak anti-corruption policy framework was considered to be a

consequence of the lack of political will to proceed with reforms. The Commission provides a similar assessment that highlights “corruption is still widespread and remains a major problem in Kosovo” (Commission Progress Report on Kosovo, pg.15. 2008).

There exists an independent body in the field of combating and preventing corruption-entitled the Anti-Corruption Agency (hereinafter ACA). The ACA serves pursuant to the Law No.03/L-159 on Anti-Corruption Agency and is a specialized body for implementation of state policies in anti-corruption. The ACA reports on annual basis to the Parliament of Kosovo. Based on their first report, they initiated 35 cases to the prosecution, seven of which were initiated as criminal proceedings (Commission Progress Report on Kosovo, pg.17. 2008). Pursuant to the Law No.03/L-159, article 5, some of the ACA competences include the following:

- ⇒ *Initiates and undertakes the detection and preliminary investigation procedure of corruption, and forward criminal charges if, for the suspected cases of corruption in competent public prosecutors office, if for the same case the criminal procedure has not been undertaken.*
- ⇒ *Monitors and supervises the implementation of the Strategy against Corruption and action plan;*
- ⇒ *Supervises and prevents cases of conflict of interest and undertakes the measures as foreseen by a special Law;*
- ⇒ *Supervises and the property of senior public officials and other persons, as required by specific Law;*
- ⇒ *Supervises the acceptance of gifts relating to the performance of officials duty and undertakes measures foreseen by Law, amongst others (Law No.03/L-159, art. 5, 2010).*

Apart from the ACA, the Independent Office of the Auditor General (OAG) is another body responsible for combating corruption. OAG audits all budget organizations that receive money from the budget of Kosovo and publicly owned enterprises (The National Audit Office). The main aim of the OAG is to promote accountability in the public administration. Moreover, the legislative framework is not complete, yet. For instance, the law on management of sequestrated and

confiscated wealth remained to be adopted. Other laws such as the one on access to official documents was still facing a number of loopholes that led to implementation difficulties.

A year later, after Kosovo had declared its independence, the Commission's assessment was the same – “limited progress in the fight against corruption, which is a key European partnership priority” (Commission Progress Report on Kosovo, pg. 13. 2009). On the other hand, the head of the ACA, at the beginning of the year declared that there are indications that the fight against corruption would result successful during 2009 (Anti-Corruption Agency News, 2009).

The Commission required the country to strengthen the legislative and the institutional framework. In regards to strengthening the institutional framework and inter- institutional cooperation, the ACA signed a number of memorandums with relevant bodies, including the Independent Judicial and Prosecutorial Commission, the Financial Intelligence Centre, the Head of EULEX Prosecutors, and the Ombudsman (Commission Progress Report on Kosovo, pg.17. 2009). These memorandums allowed exchanging of information on corruption cases in the judiciary system.

However, the legislative framework was yet incomplete, more concretely, the law on financing of political parties was not adopted and other amendments to key laws such as the one on asset declaration, anti-corruption agency, and conflicts of interest were yet to be adopted. On the contrary, the spokesperson of the government, Mr.Krasniqi noted that since the beginning of this government, fight against corruption has been our top priority and that having in mind that goal the government adopted a number of legislative measures and the anti-corruption strategy (Evropa e Lire, 2010).

Kosovo early parliamentary elections were held in 2010, and the same party won the elections, while the same head of the government was elected, Mr.Thaçi. After taking office, Prime Minister Thaçi (hereinafter, PM Thaçi) - following a meeting with law enforcement bodies- hold a press conference to publicly highlight that



*“I believe that we will win this battle with the commitment and the courage for rule of law. All Kosovo institutions are building and advancing their capacities to lead and fight these negative phenomena including corruption and organized crime”* (Prime Minister’s office, 2010).

PM Thaçi declarations reflect commitment for proceeding with anti-corruption reforms while building a consolidated rule of law system. Thus, in the course of introducing and establishing new mechanisms to fight corruption, Prime Minister Thaçi established a *special anti-corruption task force*. As part of efforts and government priorities to combat corruption and organized crime, the anti-corruption task force was established within the department of the special prosecution and was composed of five national prosecutors and three international prosecutors from EULEX and police investigators (Lufta Kundër Krimin dhe Korrupsionit, Evropa e Lirë, 2010). The Police was also reorganized to establish a directorate against economic crime and corruption (SAA Feasibility Study, 2012).

Nevertheless, according to the civil society such special anti-corruption mechanism did not serve the fight against corruption due to a number of factors including the lack of preliminary analysis for the need of such a mechanism; undefined legal framework for its functioning within the special prosecution and low profile officials accused, amongst others (Lëvizja Fol, 2011). In the same line of thought with the civil society is the Commission that in their annual assessment report highlight “Overall some progress has been achieved in the fight against corruption. However, corruption remains prevalent in many areas and still constitutes a very serious concern (Commission Progress Report on Kosovo, pg. 18. 2010).”

Until 2010, the legislative and institutional framework were considered to be partially amended, yet this was necessary but not sufficient to provide results in investigations, indictments, prosecutions, and conviction in anti-corruption cases. Political willingness and institutional capacity was key in this regard. Within the scope of the legislative package being revisited, the Law on financing of political parties was adopted, though with a number of loopholes like ambiguity over donations from legal entities. Three other key laws in the anti-corruption framework were adopted including a) the Law amending and supplementing the Law on preventing conflicts of

interest in exercising public functions, b) the Law on the Anti-Corruption Agency and c) the Law on declaration of the origin of the property and gifts of senior public officials. The three of them were requirements from the Commission's last year assessment report for Kosovo.

The ACA produced the Anti-Corruption Strategy (2009-2011) and was responsible for its implementation (this was the first strategy adopted by the ACA, but the second one overall since the first one was adopted in 2004-2007). This strategy and its action plan were built on a number of principles including good governance and rule of law, accountability and transparency, with the key objective of combating corruption (Anti-Corruption Strategy, 2009-2011). The Action Plan was broken down to a) general objectives of the anti-corruption strategy, b) strategic objectives, c) sectorial objectives, d) actions, e) deadlines, f) responsible institutions, and g) indicators of success. All the actions foreseen were related to preventive measures, law implementation, and awareness raising- public participation. However, the strategy did not foresee the assessment of the level of its implementation, thus this was considered as one of the major drawbacks toward successful implementation. In addition, the Commission identified limited ownership and commitment from the ACA to implement the strategy (Commission Progress Report on Kosovo, pg. 17. 2010).

In the next Commission's assessment report, fight against corruption was assessed to have achieved some progress; however, significant problems remained with implementation of the legislative framework that was yet incomplete (Commission Progress Report on Kosovo, pg. 18. 2011). Anew, four laws were adopted including the law on declaration, origin and control of property of senior public officials and on declaration, origin and control of gifts of all public officials, the law on protection of informants and the law on public procurement.

Another mechanism was established –for the first time, an anti-corruption coordinator was appointed within the Office of the State Prosecutor and one prosecutor per district prosecution office was assigned to corruption cases (Commission Progress Report on Kosovo, pg.16. 2011). The need to improve coordination between the ACA and the prosecution was highlighted. To provide further evidence of this, an assessment made

by the OECD notes that “Kosovo remains very permissive to corruption at all levels, meaning that the risk of becoming (or even of actually already being) a ‘captured state’ is high (SIGMA Assessment Report Kosovo, 2011).”

2012 is a year with a number of important activities and events related to conditionality and advancement of the anti-corruption policy agenda. The CoE acknowledged that reforms in anti-corruption and money laundering have been unstructured, thereby making impossible the reform sustainability. In view of this, and as a result of ‘IPA 2012’ Contribution Agreement as a Joint Programme- was signed between the CoE and EU Office in Prishtina, as the management body of IPA funds. The Project against Economic Crime in Kosovo (PECK) started in 2012, with a duration of 30 months and a budget of 1,200,000 Euro, 83.3% of which were EU funds and 16.7% were CoE funds (Council of Europe, PECK 2012). The aim of the project was to contribute to democracy and rule of law through prevention and control of corruption, money laundering, and the financing of terrorism in Kosovo. The ACA was one of the main counterpart institutions in this project, along with the Financial Intelligence Unit, and the Office for Good Governance.

The anti-corruption discourse was also featured in the visa liberalization policy document of 14 June 2012. The visa liberalization roadmap identified the reforms and requirements for Kosovo to complete in order to qualify for the visa free travel policy; Block 3 on public order and security highlighted that Kosovo should:

*Adopt and implement legislation on the prevention, investigation, prosecution and adjudication of organized crime and corruption, including money-laundering, economic and financial crime, asset confiscation and recovery, as well as terrorist financing, in accordance with the EU acquis, ensuring that amendments to this legislation are reflected in the criminal code (Visa Liberalization Roadmap with Kosovo, 2012).*

In October 2012, the Commission adopted a Communication on a Feasibility Study for a Stabilization and Association Agreement (SAA) with Kosovo. Anti-corruption requirements were clearly highlighted in this policy feasibility study as follows:

*“To meet its obligations under a Stabilisation and Association Agreement, Kosovo also needs to effectively implement its anti-corruption legislation and establish an effective mechanism for prevention of corruption. As a matter of priority, Kosovo needs to provide concrete evidence of results in its fight against corruption. This would include successful investigations and prosecutions of appointed and elected officials guilty of corruption. Kosovo also needs to improve the reliability of the statistics in this area (Commission Feasibility Study Kosovo, 2012).”*

An anti-corruption legislative framework is already in place; however, proper implementation remains a challenge. In this context, the ACA has developed the second Anti-Corruption Strategy and its Action Plan (2013-2017). The Action Plan features anti-corruption objectives, measures, actions, responsible institutions, and timeframes for achieving these goals. The strategy identified seven priority sectors including 1. political sector, 2. local government, 3. central administration, 4. law enforcement, 5. prosecution, and judiciary, 6. public finances and their management, 7. public procurement, private sector and business environment, 8. civil society and media. The ACA was responsible to monitor the strategy and to prepare an annual report that was presented to the Parliament. The drafting and implementation process of this strategy lacked cooperation between the ACA and other institutions like the CSOs and private businesses. Thus, the private sector was reluctant to cooperate and the CSOs did not take part in the drafting process as their contributions were completely being ignored. As a result, the strategy was drafted only by the ACA. This left CSOs with the only opportunity at hand – to monitor the implementation of the strategy on their own capacities. According to their policy report named after “Assessment of the Implementation of the Anti-Corruption Strategy and Action Plan 2013-2017”, they identify the need to have contact points in every institution responsible for reporting to the ACA on implementation of the anti-corruption strategy; and the need to have more measurable indicators, as well as classification of such indicators to short and long term (Elshani & Pula, 2017).

Moreover, the Commission 2012 report highlights the need for improving cooperation between enforcement and judicial authorities, simplification of the institutional set-up for fighting corruption while also avoiding the overlap of responsibilities (Commission Feasibility Study Kosovo, 2012). The fight against corruption was not

providing any tangible results and all the efforts were put into question when the head of the special anti-corruption task force -established in 2010- Mr. Nazmi Mustafi, was arrested on the basis of accepting bribes to drop corruption charges against influential individuals (Evropa e Lire, 2012). The question posed at this time was -what to expect when the top anti-corruption prosecutor in the country is corrupted himself? This case gave the impression that the fight against corruption was only of a rhetorical nature rather than concrete and real.

The EU court of auditors assessed the impact of EU intervention in tackling corruption in Kosovo, in their report (on the anti-corruption section)– “Anti-Corruption: EU Interventions Have Had Limited Results in Tackling Corruption Which Remains A Major Concern” (European Court of Auditors, 2012). They explain that the Commission funded seven IPA projects related to fight against corruption and organized crime. One of them was of a technical assistance nature: “Support to the Anti-Corruption Agency (1.000.000 Euro)”, through which a high number of legislative proposals were reviewed and thirty-five recommendations were provided to relevant institutions; however, only fourteen (40% out of 100%) of them were taken into consideration (European Court of Auditors, 2012).

2012 embarked the establishment of another anti-corruption mechanism, by the President of the Republic of Kosovo –Mrs.Atifete Jahjaga, the so-called the National Anti-Corruption Council (the Council). The Council was the answer, according to the Kosovo institutions, to the continuous criticism coming from the EU for the lack of coordination and collaboration among anti-corruption institutions. Thereby, the key objective of the Council was to coordinate the work and the activities of all institutions and agencies responsible to combat and prevent corruption. Based on the Constitution, the Council also developed the rules of procedure. According to these rules of procedure the Council has the following functions:

*“To coordinate the activities in preventing and combating corruption;*

*To identify and coordinate activities in support of the implementation of the national strategy in fighting corruption;*

*To determine the priorities and policies for the implementation of the legislative agenda in increasing effectiveness in the fight against corruption;*

*To coordinate the work and activities of the responsible institutions in strengthening existing mechanisms to fight corruption;*

*To raise the awareness of the society for the prevention and fighting of corruption* (The Rules of Procedures for the National Anti-Corruption Council, 2012).”

Based on the rules of procedure the Council met at least four times per year, and they would issue regular reports on their work and activities. The Council was composed of heads of a number of institutions including the Anti-Corruption Agency - the Auditor General of Kosovo - the Parliamentary Committee for Legislation - the Parliamentary Committee for Budget and Finance - the Parliamentary Committee for the Oversight of Public Finances - the Kosovo Judicial Council - the Kosovo Prosecutorial Council - the Supreme Court of Kosovo - the Consultative Council for Communities - the Ministry of Justice - the Ministry of Internal Affairs - the Ministry for European Integration - the Ministry of Local Government Administration - the Kosovo Police - the Unit of the Financial Intelligence Centre (The Rules of Procedures for the National Anti-Corruption Council, 2012).

During 2013, IPA I continued to support Kosovo institutions in the assessments of the anti-corruption and anti-money laundering areas, using the Group of States against Corruption (GRECO) and the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism toward building the capacities of the Agency for Managing Sequestered and Confiscated Assets (AMSCA) and the Financial Intelligence Unit (FIU) (Indicative Strategy Paper, 2014). IPA I was also supportive of the drafting of a new law on the AMSCA and contributing to improving its cooperation capacities (Indicative Strategy Paper, 2014). On the other hand, the Government of Kosovo offered less than 3% of its annual budget to funding of the judiciary (KIPRED, 2013). Given this low percentage of funding and considering the fact that budget is key to policy implementation, a lack of real political will to change the state of affairs is shown.

The Commission issued a communication to the European Parliament and the Council on enlargement strategy and main challenges (2012-2013) on 10<sup>th</sup> of October 2012. This new strategy lays out the importance of putting rule of law at the center of the enlargement policy. A number of challenges identified in this regard are the same for

all Western Balkan countries, including Kosovo. Prevalent corruption is one of them. The report notes “Law enforcement bodies need to be pro-active, well-coordinated and effective so as to ensure corruption cases, including at high level, are properly investigated, prosecuted and sanctioned (Enlargement Strategy and Main Challenges, 2012-2013).” The Council as a coordination mechanism established by the President had only met once or twice a year while not respecting its own rules of procedure to meet four times a year. The Council was considered to have failed in achieving its mandate as a coordination body (KIPRED, 2013).

Moreover, in 16 March 2014, IPA II regulation came into force and was retroactively applicable since 1<sup>st</sup> January 2014 (Ministry of European Integration, IPA 2014-2020). The sectors set to be funded by IPA II include those that were already identified in the enlargement strategy 2012-2013, and they include democracy and governance, rule of law, growth and competitiveness. The allocated amount of financial resources for IPA II 2014-2020 for Kosovo was € 602.1 mil.

In 2014, Kosovo held another early parliamentary election (the second in a row after the independence), and a new government led by Professor Isa Mustafa was established (hereinafter, PM Mustafa). After seven years of PDK heading the government, we had a regime change and the expectations for change in governance were high. PM Mustafa, similar to previous governments’ public declarations, during his expose in the parliament stated that rule of law is key to democratic governance, and that their government will without any compromise fight corruption (Prime Minister Isa Mustafa expose in the Parliament, 2014). But, how was this translated into governmental actions, or it merely remained within the scope of the expose and other PM Mustafa public interviews, similar to the previous governments?!

This is the first year that the Commission introduced a new assessment scale – preparedness level- to meet the EU obligations for specific policy areas. According to this new measurement scale, Kosovo is at an early stage of preparedness to meet the obligations of the EU in anti-corruption policy, while it has shown progress compared to last year. According to the Commission Report “Kosovo has made limited progress and is at an early stage in the fight against corruption (Commission Progress Report on Kosovo, 2014).” Moreover, a track record of convictions and inter-institutional

cooperation was lacking, demonstrating that political commitment was not being translated into actual results. The capacities and the oversight role of the ACA remain weak.

In regards to the anti-corruption legislative package, no new laws were adopted, and the Law on prevention of conflict of interest was yet to be aligned with the Criminal Code (Commission Progress Report on Kosovo, pg. 17. 2014). The law on declaration, origin and control of high public officials was aligned with the Criminal Code. According to the new alignment the failure to declare assets and false declarations were classified as a criminal offence. This was considered as a positive development in combating corruption. However, a number of problems remain with the current system of declaration of assets, though a law is in place (Rexha, A. 2014). According to this report, the system of asset declarations needs to standardize asset declaration forms, to establish mechanisms that would help determine the real value of property, to find a more representative sample of verified asset declarations, and to establish international cooperation for the exchange of information. Deficiencies of the law on asset declarations and lack of results in anti-corruption were also noted by other civil society reports, particularly they highlight that “the investigation and prosecution of senior official’s inexplicable wealth has rather been non-existent lacking initiatives by the prosecutorial system (KIPRED, 2013).” On the second visa liberalization assessment made by the Commission, the implementation of the Law on Financing Political Parties and the establishment of a track record on final convictions in cases of corruption remained as outstanding criteria that needed to be fulfilled (Second Assessment on Visa Liberalization, 2014). Overall, these findings portray a high disproportion between the high number of anti-corruption mechanisms and the low anti-corruption results.

At this point, Kosovo had a disintegrated legal framework in place, an institutional framework, and a strategic one as follows:

The legal framework was composed of the following:

- I. The Law on Anti-Corruption Agency;
- II. The Law on Asset Declaration, Origin and Control of High Public Officials;
- III. Law on Preventing Conflicts of Interest in Exercising Public Functions;



- IV. Law on Management of Agency for Sequestrated and Confiscated Assets;
- V. Law on Funding of Political Parties;
- VI. Law on Protection of Informants.

The institutional framework was composed of the following:

- I. The Anti-Corruption Agency;
- II. The Anti-Corruption Council, established by the President;
- III. The Special Anti-Corruption Task Force, founded by the Prime Minister;
- IV. The National Anti-Corruption Coordinator, assigned by the Chief State Prosecutor;
- V. Directorate for Investigation of Economic Crimes and Corruption within the Kosovo police.

The strategic framework was composed of the following:

- I. Anti-Corruption Strategy and Action Plan (2013-2017).

To sum up, this period 2008-2014 was characterized with the building of the legislative and institutional frameworks. These frameworks remain necessary, yet they are not sufficient to successfully fight corruption. A missing dimension at this point was the political will to precede reforms. So far, institutions seemed to be doing the talk of reform rather than the reform itself by merely adopting new strategies and new legislation as a response to the continuous criticism from the EU. More importantly, political elites were interfering in the implementation of legislation and, thus legislation was selectively being implemented. Apart from the political will, this period was accompanied with two early parliamentary elections (2010 and 2014). Both parliamentary elections took several months until coalitions were agreed upon to form a government. These months could be considered as 'lost months' in terms of advancing the anti-corruption agenda. Overall, the state of play did not encounter any transformative change, it rather absorbed the EU *acquis*, and hence it remains in an absorption phase while implementation lacks.

### **Anti-Corruption Policy 20015-2018**

2015 marked an important year in Kosovo-EU relations as the first contractual agreement between the two and was signed on 27 October, in Strasbourg. A month

later it was adopted by the Government, by means of Decision No.01/55 on approving the Draft-Law on Ratification of the Stabilization and Association Agreement between the Republic of Kosovo, of the one part, and the European Union and the European Atomic Energy Community, of the other part, and the same was ratified by the Assembly on 02 November 2015 by the adoption of the Law No.05/L-069 on Ratification of the Stabilization and Association Agreement between the Republic of Kosovo, of the one part, and the EU and the European Atomic Energy Community, of the other part (Ministry of European Integration, SAA, 2015). The government established the National Program for Implementation of the Stabilization and Association (NPISAA) as the key national policy document. The NPISAA sets the mid-term framework of all policies that the government needs to adopt in the coming years in order to advance in the EU path. As part of the SAA, three structures were established including the Stabilization and Association Council (SAC), the Stabilization and Association Committee (the Committee) and seven Stabilization and Association Sub-Committees as follows: 1. Sub-committee on Trade, Industry, Customs and Taxes; 2. Sub-committee on Agriculture and Fishery; 3. Sub-committee on Internal Market and Competition; 4. Sub-committee on Economy, Financial issues and Statistics; 5. Sub-committee on Justice, Freedom and Security; 6. Sub-committee on Innovation, Information Society and Social Policies; 7. Sub-committee on Transport, Energy, Environment and Regional Development; and two special groups including the one on public administration and one on normalization (Ministry of European Integration, SAA structures 2015). Combating corruption and organized crime is one of the key priorities under the SAA, and is covered in the Sub-committee on Justice, Freedom and Security. Thus, the NPISAA was another policy document in which additional anti-corruption requirements were featured.

The country report 2015 (previously named after as progress report) note that Kosovo is at an early stage in the fight against corruption and some progress has been achieved in this battle (Commission Progress Report on Kosovo, pg.16. 2015). The undue political influence was highlighted as the key factor impeding the fight against corruption. Citizens also have a similar view related to the level corruption in the country. A civil society “Corruption Scan” report conducted a public opinion survey and the results show that corruption remains the second issue of concern for citizens (Levizja Fol, 2015). According to this report, 39% of citizens think that corruption is

the main problem in the country and 38.1% consider it the second most challenging problem in the country after unemployment. Furthermore, within the scope of the legal framework, the law on conflict of interest had yet to be revised. The Sub-committee conclusions on Justice, Freedom and Security also called the Assembly to align the Law on Prevention of Conflict of Interest with the Criminal Code (Sub-committee conclusions on Justice, Freedom and Security, 2015). The Law on declaration of assets was amended to extend the list of persons obliged to report, and the threshold for the value of movable property to be declared decreased from 5000 Euro to 3000 Euro. These amendments were considered to be in line with the Criminal Code provisions. The country report notes that although the law on political party financing was amended several times, major challenges remain in implementation due to the lack of proper control mechanisms.

In terms of the strategic framework, the same problems remain. Although the anti-corruption strategies by the ACA are aimed to strengthen the integrity and build citizens trust in institutions, implementation lacks due to lack of clear division of tasks, combined with lack of sanctions if the responsible institution did not deliver (Rexha, A. 2015). Given that, the establishment of such strategic mechanisms to fight the phenomena of corruption seems only a governmental obligation, with no real outcome.

In the view of building a consolidated institutional framework the improvement of focal points to the ACA in relation to anti-corruption action plan implementation were required during the sub-committee meeting (Sub-committee conclusions on Justice, Freedom and Security, 2015). While, the Commission required the capacities for draft reporting, of the Agency, to be improved, but also prosecutors to demonstrate the necessary capacities to pursue cases (Commission Country Report on Kosovo, pg. 19. 2015). On the other hand, the appointment of the National Coordinator against Economic Crime was considered as a positive development that contributed to a more structured cooperation between law enforcement agencies.

This year, the Commission apart from changing the name of the reports from Progress Report to Country Report, it has also slightly changed the form of the report by adding in a specific frame the key recommendations for each policy. Given that, for

all stakeholders it would be easier to follow and see what recommendations are repeated and what recommendations were taken into consideration by the government. In 2015 the Commission asked Kosovo to focus on the following

- ⇒ *prioritising handling of high-level corruption cases, especially in public procurement, with a view to securing final convictions;*
- ⇒ *strengthening the cooperation between police and prosecution through joint investigation teams on high-level corruption cases;*
- ⇒ *concluding the development of an efficient system to monitor the track record of case handling from investigation to final court rulings;*
- ⇒ *revising the conflict of interest law and all related laws and regulations to bring in line with European standards. In particular, categories of public officials should be clearly defined and measures on preventing and sanctioning conflicts of interest and regulating "revolving doors" need to be adopted (Commission Country Report on Kosovo, pg. 19. 2015).*

It is important to note that in parallel to IPA funds, the EU countries were offering bilateral donations and supporting CSOs in various anti-corruption projects of research and monitoring nature. A number of roundtables and panel discussions were being held to openly discuss with decision makers problems and challenges identified by them related to anti-corruption (Kosovo Democratic Institute, 2015 & Group for Legal and Political Studies, 2015). The EU evaluation report of IPA funds in fight against corruption attributes the achievements in the Kosovo legal framework to direct EU assistance (Europe Aid Final Report, 2015). They identify the lack of independence of institutions as the key threat to achieving the IPA project goals.

Efficient prevention and fight against corruption has been very high on the reform agenda of the Kosovo government since independence, particularly in light of European integration process; however, tangible results are still lacking in 2016. Tangible results referring to final court convictions in high profile cases, instead of mere investigations and accusations. In particular, the “enforcement of anti-corruption legislation in Kosovo remains weak (GAN Kosovo Corruption Report, 2016). Although there are adoptions and amendments of the legislative framework, due to its

lack of implementation and the undue political influence in the system, Kosovo is rated by the Commission in an early stage of preparation to comply with the EU obligations in the fight against corruption (Commission Country Report on Kosovo, 2016). Though, compared to last year, Kosovo was assessed to have made progress in this realm. The progress was attributed to the adoption of the legislation and various anti-corruption mechanisms within the scope of the strategic framework. Moreover, the head of the ACA, the key body in combating and preventing corruption for a decade, in one of his TV interviews underlined “the fight against corruption leaves much to be desired (Klan Kosova, 2016).”

As noted in the Commission Report, two positive developments took place by the establishment of a multi-disciplinary investigative team –headed by the Special Prosecution Office, and of a tracking mechanism for high profile corruption and organized crime cases (Commission Country Report on Kosovo, pg.16. 2016). These were key recommendations from the last’s year report. Yet many problems remain, as the anti-corruption bodies work is not integrated and there is overlap of tasks. The ACA continued to perform its tasks of checking asset declaration, monitoring conflict of interest and conducting administrative investigations, raising the number of cases sent to the prosecution to 677. On the other hand, the prosecution has filed only 87 cases on the ACA reporting (Commission Country Report on Kosovo, pg17. 2016). The quality of reporting by ACA was weak, but there was also lack of willingness in the prosecution side to proceed with these cases. This Commission’s concern has also been present in previous reports, yet no improvement has taken place. Within the remits of the law on conflict of interest, the ACA found that 1552 officials were holding two or more positions in a potential conflict of interest situation. While the ACA handled 306 cases of conflict of interest; in 160 cases the conflict of interest was prevented, and in 49 cases the ACA gave an opinion to the responsible institution (Commission Country Report on Kosovo, pg.18. 2016). Moreover, the value of sequestrated assets has increased, but the value of confiscations- final court convictions -is low. The value of confiscations reflects real positive results in fighting this phenomenon. Also it was required that responsible institutions prioritize high-profile corruption cases and organize crime cases in order to provide final court convictions (Sub-committee on Justice, Freedom and Security, 2016).

Another major concern raised by the Commission is the lack of audit of political party finances since 2013. Political parties do not publish their financial reports as enshrined in the law, and transparency and accountability of political party funding are not respected. Civil society including media has also been very active in raising awareness and putting pressure on political parties to open their finances. The lack of transparency of political party funding and its audit was viewed as a disconnection between controlling, monitoring and potential political party donors and their electoral campaign expenses (COHU, 2016). Financing of political parties' remains a secret for all (Koha Ditore, 2015); although, its transparency remains key to the functionality of a democratic system.

On August 2016, a number of monitored conversations over phone between members of one of the biggest political parties in Kosovo, PDK, were made public (Insajderi, 2016). These wiretapped conversations depict how the public office is misused for personal gain. One of the key figures in PDK, who held different public positions, was employing people affiliated to his party in the judiciary, education, and public enterprises boards. This case was the biggest one including senior public officials that was sent to the prosecution, yet no final conviction was reached.

Overall the 2016 Commission report highlights four key recommendations for the government as follows:

- ⇒ *amend the legal framework on conflict of interest bringing it in line with European standards, including clear definitions of categories of officials and regulating compatibilities of functions during and after office;*
- ⇒ *review and adopt legislation governing public officials charged or convicted for serious or corruption-related crimes;*
- ⇒ *carry out independent audits of political party finances for 2013-2016 and ensure the financial reports of political parties are published as required by law;*
- ⇒ *increase the number of prosecutors in the Special Prosecution Office investigating and prosecuting high-level corruption cases, and provide training to strengthen their capacity to conduct financial investigation, confiscate assets and effectively protect witnesses, with a view to delivering results on the track record (Commission Country Report Kosovo, pg. 18. 2016).*

Kosovo held another early parliamentary election in 2017 (the third in the row after independence). A coalition of few forces including the AKK, PDK, and Nisma won the parliamentary election and a new government led by Prime Minister Ramush Haradinaj (hereinafter, PM Haradinaj) was established after two months of deadlock in the constitution of the Parliament (Kosovo Two Point Zero, 2017). During the election campaign, PM Haradinaj would continuously repeat that we will fight corruption and poverty to build a more just society (Klan Kosova, 2017). However, as the analysis below depicts fight against corruption more or less remains part of the government public speeches with no real tangible results. In view of this, there is consensus among non-governmental stakeholders, media, and EU supranational institutions.

Anti-corruption discourse is often featured in the speeches and remarks of the head of the European Union Office in Kosovo. In 2017, the head of EU office, in her speech underlines that “Concrete actions are needed – public officials that are indicated should be suspended from their functions and those that are sentenced need to be immediately removed from office. Corruption needs to be fully eradicated from public institutions.... Legislation to advance confiscation of assets should be put in place (Head of EUSR office remarks, 2017).” During her remarks, she also highlights that - in this fight we are together- by mentioning two EU ongoing projects in fighting corruption totaling € 4.5 million.

The European Parliament briefing, first, underlines that the prospect of joining the EU have incentivized Balkan Countries, including Kosovo, to adopt legislation and establish institutional and strategic frameworks in fighting corruption; but, the real political will to improve the situation lacks (European Parliament briefing, pg.2. 2017). According to this briefing, considering the legal, institutional, and strategic frameworks adopted, the results achieved on the ground are disproportionally low. The European Parliament in their briefing note:

*“The prospect of EU accession has been a driver for meeting formal requirements, but less so for implementing adopted measures. In the past, the lack of benchmarks and sufficient time to elaborate and put into practice reforms has obstructed the*

*assessment of corruption-related progress and the achievement of lasting results* (European Parliament briefing, pg.3, 2017).”

A Western Balkans CSO network, entitled the TEN network, in their yearlong BENCHER project have analyzed the impact of EU conditionality and the role of the benchmarking system to conclude the following:

*“Overall, our findings show there is a gap between the high expectations from the benchmarking mechanism to encourage EU-related reform, and the actual results. While EU conditionality is highly important in prompting reforms, significant transformative effects are currently missing (BENCHER TEN, pg. 6, 2017).”*

Both the EU Parliament and the CSO network on the Balkans assess similarly the impact of EU conditionality, but contrary to what the government is continuously proclaiming toward fighting corruption.

In order to prompt the implementation of EU requirements in all policies, including the anti-corruption policy, the EU External Action Service has initiated a list of priority policy reforms for Kosovo within the framework of high-level dialogue, named after the European Reform Agenda (ERA). These were adopted on the basis of prioritization and on broad consultations with other stakeholders in the country and are discussed regularly between the parties (EU and the country governments) at the highest political level, twice a year. The rationale behind bringing to the discussion table a high political level dialogue for these policy priorities is to increase the likelihood of degree of adoption of these reforms and to also attempt to have a positive impact in the government commitment to reform.

Therefore, ERA was introduced in 2016 to upsurge the attention of the Kosovo Government on pressing issues, related to the ‘Good Governance and Rule of Law’, ‘Competitiveness and Investment Climate’, ‘Employment and Education’ (Ministry of European Integration, ERA 2016). The Commission and the government of Kosovo in close collaboration with other external actors including civil society have identified these ERA priorities. A number of priorities that Kosovo should focus feature anti-corruption policy and are part of the first pillar of good governance and



rule of law. These priorities include the following

- *Reviewing and adopting legislation making mandatory the suspension and/or removal of public officials respectively indicted and convicted for corruption.*
- *Amending the law on conflict of interest and related regulations bringing them in line with European standards and indicating the exact circumstances in which public officials may take on additional employment and appointments.*
- *Ensuring the transparency and accountability of funding for political parties:*
  - a. Carry out independent audits of political parties finances for 2013-2015,*
  - b. Ensure the publication of financial reports of political parties as foreseen in the law* (Commission Country Report on Kosovo, pg. 18, 2016).

The amendment of the law on conflict of interest and the transparency and accountability of political party funding are two recommendations repeated on yearly basis, for a few years now, in all policy documents directed to Kosovo. Both recommendations are deemed to have high political costs for the elites in power; thus, their reluctance to proceed with these two reforms. In view of this, the EU has continuously put pressure on the government to adopt these changes through the SAA, ERA, a number of speeches and remarks made by EU officials, as well indirectly through financing of civil society organizations.

“Today, the countries show clear elements of state capture, including links with organized crime and corruption at all levels of government and administration, as well as a strong entanglement of public and private interests (European Commission Enlargement Strategy, pg. 16. 2018).” This shows that according to the Commission’s overall assessment, none of the Balkan countries including Kosovo has managed to effectively fight the endemic corruption despite the EU assistance and guidance. In the new 2018 country report by the Commission, Kosovo is assessed “at an early stage/ has some level of preparation” in the fight against corruption, and has made “some progress” in this regard (Commission Country Report on Kosovo, pg.18. 2018).

In terms of the legal framework, no new laws were required from the Commission, yet a part of legislation still needed to be aligned with EU *acquis* and to be successfully implemented. The law on whistle blowing and the one on political party financing had still to be in line with international standards and recommendations of the Venice Commission, respectively.

National anti-corruption strategies have so far been a popular response by governments to prevalent corruption in many countries, Kosovo being no exception. Within the strategic framework, the Government adopted another strategy the National Anti-Corruption Strategy 2018-2022 and its action plan (PECK II, 2018). The Action Plan contains 19 objectives and 87 measures translated into 141 activities and organized in four realms including a) political sector, b) public administration, c) law enforcement and judiciary, and d) public procurement and public financial management. However, the allocation of financial resources remained a challenging dimension to implementation of the action plan.

CSOs on annual basis organize the anti-corruption week to raise on public and to the media important issues related to anti-corruption. During the event, the head of the EUSR, Mr. Apostolova, gave a speech and the key highlights of her speech were on the need to fight corruption and to convey the message that the EU is the steadfast supporter in this battle. She highlighted, “The adoption of these laws must now be followed by their robust implementation.... Fighting corruption practices is very much related to a wider good governance and public administration reform agenda (Head of EU Office remarks, 2018).” Once given the opportunity, the EU officials in Kosovo would remind the government that the fight against endemic corruption is a key European partnership priority.

Overall the 2018 Commission report highlights three key recommendations for the government as follows:

→ *with a view to continue progress on the track record, increase the number of prosecutors in the Special Prosecution Office investigating and prosecuting high-level*

*corruption cases, and provide training to strengthen their capacity to conduct financial investigations, confiscate assets and effectively protect witnesses;*

*→ amend the legal framework (on the suspension and removal of public officials indicted for and convicted of corruption, on declarations of assets and on whistle-blowers) bringing it in line with European standards;*

*→ ensure that the financial reports and campaign disclosure reports of political parties are consistently published and audited, and sanctions applied for violations of relevant laws. Amend the legal framework governing political party and campaign financing on the basis of an opinion of the Venice Commission to ensure effective enforcement, accountability and transparency (Commission Country Report on Kosovo, pg.15, 2018).*

To sum up, the period 2015-2018 was characterized with the signing of the SAA - the first contractual agreement between EU and Kosovo, and was accompanied with one early parliamentary election. During this phase the institutional framework was developed, yet accountability remained deficient. In addition, the legislative framework was amended every year causing an insecure legal environment. The anti-corruption agenda was advanced mainly in terms of adoption of new legislation, hence remaining in an absorption phase while implementation of this framework was selective and prone to undue political influence.

### ***Discussion of Results***

During this decade (2008-2018), Kosovo was granted a visa roadmap followed by a feasibility study; it signed the first contractual agreement with the EU – the SAA; was faced with political instability (three early parliamentary elections); and gradually build the legislative and institutional frameworks in fighting corruption. The latter remains necessary, yet it is not sufficient to successfully fight corruption. A missing dimension at this point was the political will to precede reforms. So far, institutions seemed to be doing the talk of reform rather than the reform itself by merely adopting new strategies and new legislation as a response to the continuous criticism from the EU. More importantly, as evidenced political elites were interfering in the implementation of legislation and, thus legislation was selectively being implemented. It was evident that the political costs of implementing anti-corruption policies were

high. This was best evidenced with the “Pronto” case. Apart from the political will, as mentioned above this period was accompanied with three parliamentary elections. The three parliamentary elections lead to long impasses until party coalitions were agreed upon to form a new government. This period of stalemate is considered as ‘lost time’ in terms of advancing the anti-corruption agenda. Overall, the state of play did not encounter any transformative change, it rather absorbed the EU *Acquis*, and hence it remains in an absorption phase while implementation is deficient.

### **Anti-Corruption Policy: A Two Country Comparison between North Macedonia and Kosovo**

Research has shown that in both countries, NM and Kosovo, no transformation or real reform took place in the anti-corruption realm. Regardless their differences in the EU accessions stage, evidence shows that they are in a similar state of play in the fight against anti-corruption. Below we summarize few differences in the EU accession stage:

- North Macedonia was granted candidate country status in 2005.
- Kosovo is a potential candidate country and has not yet applied for the candidate status.
  
- In North Macedonia the SAA entered into force in 2004.
- In Kosovo the SAA entered into force in 2015.
  
- North Macedonia began the visa dialogue in 2008 and was granted visa-free policy in 2009.
- Kosovo began the visa dialogue in 2012 and still continues to be excluded from the visa-free regime.

At the beginning of this research, these facts have raised the expectations of finding a different outcome of the EU conditionality in fighting corruption. However, the analysis conducted through process tracing and the data gathered through interviews evidences that fight against corruption in both states remains at the absorption phase within a decade. In both countries, corruption remains a major problem and a slow

progressing area that continues to hamper trust in institutions and apply selective justice.

From year to year the same anti-corruption related recommendations, though paraphrased, were being repeated, in both countries. Only one difference was spotted within the Commission country report assessments, in terms of the level of preparedness to comply with the EU *Acquis*. As shown in figure 22, NM has *some level* of preparedness to meet EU obligations in fighting corruption and has not moved upwards, while Kosovo remains in an *early level* of preparedness to meet EU obligations in the anti-corruption policy. This difference could be accounted to the higher number of legislation adopted in NM compared to Kosovo, but not to the implementation scale.

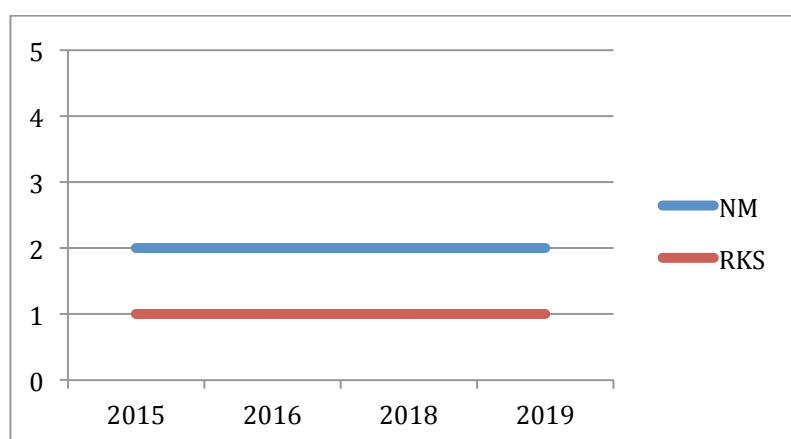


Figure 22 Comparison of the level of preparedness to take on EU membership obligations between North Macedonia and Kosovo  
Source: European Commission, Annual Country Reports (2008-2019)

In terms of the progress from year to year, they have both faced periods of stagnation; thus, they did not fulfill last year's criteria. In the case of Kosovo, the longest period of no progress was five years (2010-2015), whilst in the case of NM it was for two periods of three years (2010-2013 and 2014-2016), as shown in the below figure.

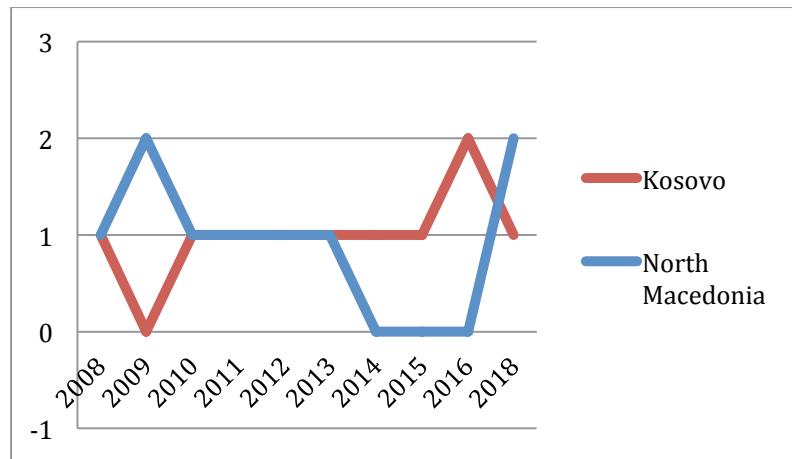


Figure 23 Comparison of the level of progress on anti-corruption policy between North Macedonia and Kosovo  
Source: European Commission, Annual Country Reports (2008-2018)

Moreover, as shown in figure 15, the data from the Corruption Perception Index for a ten year period in both countries portrays progress and regress points, but neither has managed to reach a half level of cleanness in corruption perception index. It is important to highlight that they had different starting positions, NM being ranked better compared to Kosovo; however, in 2018 they are found in the same rank (3.7/10). As evidenced throughout the analysis, the implementation of anti-corruption related reforms is interfered by the political parties leading to selective and delayed implementation, in both countries. Though, the anti-corruption requirements were streamlined in various EU policy documents, the incentives for the governments were not high compared to the costs of reform. Thus, the size of the reward was also important in the cost-benefit analysis of the enlargement country. Furthermore, the credibility of the EU conditionality has also played an important role in the success of the EU as an external actor. In the case of Kosovo, a number of anti-corruption related criteria were part of the visa-roadmap; however, although the government fulfilled all of them, the EU did not keep its promise of granting visas to the country. Thus, this case has had a tremendous impact in destroying the credibility of EU conditionality in the Kosovo's public eye, in addition to the government. In the case of NM, since 2009 the Commission proposed to open accession talks with the country and this process is still pending due to some countries negative stance on the issue. These countries have satisfied their own populist agendas or anti-enlargement voters in their countries, at the expense of Commission's evidence based findings. This has also had a negative impact on the credibility of EU conditionality.

Two key domestic conditions, the political and institutional stability and the political will, were absent and have contributed negatively to the impact of conditionality in fighting corruption. In NM during this decade four early parliamentary elections took place, and in Kosovo three early parliamentary elections. The political instability created due to the early parliamentary elections has subsequently put “on hold” the EU agenda in both countries. Instead of advancing the anti-corruption program and implementing the objectives, the political parties have spent most of their resources in preparing for election campaign and building coalitions to form new government.

To sum up, in both cases, North Macedonia and Kosovo, there is enough evidence to accept the below hypothesis

I Hypothesis: *The higher the political costs of adopting EU good governance regulations the lower the possibility of adopting these regulations.*

II Hypothesis: *The lower the adaptation costs the higher the possibility of adopting EU good governance regulations.*

III Hypothesis: The higher the EU credibility the higher the possibility of adopting EU good governance regulations.

## Chapter V: Conclusions and Discussion

### Introduction

The main goal of this study is to understand developments of *good governance* in the context of *EU integration* through the lenses of *Europeanization theory*, in the case of the Western Balkans. The concept of Europeanization has been an important and a significantly researched area from 1990 up to the 2004-2007 EU enlargements, so has been developed the research about various aspects of Europeanization in the context of Union's eastern enlargement. The concept still continues to be at the attention of many scholars due to the Union's importance in the day-to-day life of citizens ranging from the quality of water they drink to foreign policy. One strand of literature discusses the theoretical development of the Europeanization concept and the challenges of measuring it (Borzel & Risse 2003, Radaelli 2002, Olsen 2002, Howell 2002, Mair 2004). Another strand of literature discusses the influence of the EU as an external actor on various policy fields like gender, environment, media, rule of law and similar (Bulmer & Radaelli 2004, Spehar, Kacarska 2013, Harcourt 2003, Featherstone & Radaelli 2003). A different strand of literature discusses the domestic conditions under which EU conditionality has been more effective in changing policies and in other cases limited in bringing change (Elbasani 2013, Falkner 2003, Featherstone & Radaelli 2003).

Moreover, to my knowledge, the Western Balkans has not received much attention from scholars and various gaps remain in regards to the Europeanization and the impact of EU conditionality in fostering good governance in this region for a longer period. Thus, this research focuses in this region for a period of ten years (2008-2018), particularly in the country case of North Macedonia and Kosovo. They are



chosen because each represents a different stage in the EU integration path, they share a geographical footprint, and many historical experiences.

The main research question is to assess to what extent has the EU Conditionality induced North Macedonia and Kosovo build good governance. We are concerned with Europeanization at the national level, focusing on the implications of the EU on governance, as this analysis has defined it and narrowed it down for measuring purposes, to two key dimensions: the civil service and the anti-corruption policy.

Aiming to answer this question, this research has also identified domestic variables that contribute in each direction. Employing the process tracing methodology, this research conveys an understanding of how good governance, in its continuous operation, in these countries is affected by the EU. It also discusses key preconditions necessary, both at the domestic and EU level, for conditionality to result successful. Given that NM, a candidate country, was the first country in the Balkans to sign the SAA, and Kosovo, a potential candidate, was the last country to sign the SAA, makes it an interesting case study comparison. Thus, this research compares both countries and draws on differences and similarities related to the extent of change in governance in the context of EU conditionality. It also aims to explain the factors that contributed to the potential differences and similarities between the two cases.

This doctoral research structure is composed of five chapters. The first chapter discusses the research background and the relevance of the topic. The second chapter discusses the theoretical framework including the methodology. The third and the fourth chapter discuss the findings and compare the country results. The fifth chapter discusses the overall results and draws a set of conclusions and policy recommendations.

### **Theoretical orientation: Key Concepts and Literature**

*Key Concepts:* The Europeanization literature approaches the concept of Europeanization as a process of change while there is no one single definition accepted by all scholars (Borzel & Panke 2013). A number of scholars including Radaelli, Olsen, and Borzel have researched the Europeanization concept and methods of measuring it. To begin with, Radaelli (2000) a leading scholar in Europeanization defines the concept as “Processes of (a) construction (b) diffusion

and (c) institutionalization of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies” (Radaelli, 2000). The author pinpoints to the importance of change in the domestic policies through a process lead and developed by the EU institutions. In an attempt to operationalize the concept, and measure Europeanization of public policy, Radaelli draws on four possible outcomes (or directions of policy change) including

5. Retrenchment: is a state that produces less “European” national policies. This outcome indicates having a paradoxical effect.
6. Inertia: is a state in which change does not take place. This means that domestic structures do not find EU policies, regulations, models, and standards to be similar or convenient for domestic practice. Thus, delays in transposition of EU Acquia, or delays in adoptions of specific policies can be present.
7. Absorption: is a state of change as adaptation. This means that domestic structures absorb changes, but still the ‘core’ framework remains the same. Thus, policy recommendations might be absorbed but the ‘logic’ of political behavior remains the same.
8. Transformation: is a state where the fundamental and core changes take place, meaning that the ‘logic’ of political behavior changes, also (Radaelli, 2003).

Radaelli further notes that these four possible outcomes cover the whole spectrum of possibilities. Given that, it is difficult to draw the fence among them and to decide whether a public policy has been absorbed or transformed. It is important to make the difference between ‘coping strategies’ to the domestic context and ‘deutero learning’. The former refers to coping of policy while the latter refers to a change in the belief system, preferences and values, that has shown to be more challenging. Furthermore, Olsen (2002) refers to Europeanization as a concept with many faces, a concept that has a more limited usage compared to what its widespread use could indicate. In these lines, the author takes into account the element of change that the concept of Europeanization is bounded with and develops five different meanings of it, as following:

a) *Changes in external boundaries*: understanding of Europeanization through the Enlargement process, in which Europe, as a continent becomes one single political space.

b) *Developing institutions at the European level*: understanding of Europeanization as a process of center building institutions with a collective action capacity and providing some degree of co-coordination and capacity.

c) *Central penetration of national systems of governance*: understanding of Europeanization as adoption of national and sub-national governance systems to a European political center and European-wide norms.

d) *Exporting forms of political organization*: understanding of Europeanization as an export of its governance system outside Europe as a continent. This implies Europe focusing on relations with other non-European actors and institutions and finding a new place in the world order.

e) *A political unification project*: the degree to which Europe becomes more unified in the context of territorial space and institution building (Olsen, 2002).

It is important to note that these different concepts complement each other, rather than exclude each other. Borzel (2013), a leading academic in the field, provides a more straightforward meaning of the Europeanization concept, as interactions between the EU and its member states or third countries (Borzel & Panke 2013). According to the author, Europeanization can be studied as a bottom-up approach and as a top-down approach. The former perspective analyses how member states and other domestic actors shape EU policies, politics, and polity. The latter approach refers to how the EU institutions impact and shape policies of member states and third countries. In the context of foreign policy, the bottom-up Europeanization approach refers to the uploading of national foreign policy preferences to the EU level and the top-down Europeanization approach refers to the downloading of policy models and ideas from the EU level, particularly from the EU's Common Foreign and Security Policy to the national level (Muller & Alecu de Flers, 2010).

Naturally, Europeanization field is closely linked with the European Integration studies, but how different is one concept from the other? European Integration is a broader concept when compared to Europeanization. Research identified European Integration as the independent variable, which influences the agenda of Member

States, while Europeanization is the transformation of a ‘variable’ at the national level. Essentially, this change at the national level entitled as Europeanization is an effect of European Integration (Jacqout & Woll, 2002).

Moreover, the EU conditionality framework is composed of a number of conditions set by the European Commission at the Copenhagen European Council in 1992 to integrate CEE into the Union (European Commission, Accession Criteria). Thus, when measuring Europeanization in the context of conditionality, one has to look at the Copenhagen criteria. This research has looked only at good governance dimensions including civil service and anti-corruption policy.

Moreover, cases of Europeanization are cases of equifinality- the idea that there can be multiple paths to the same outcome (Moumoutzis & Zartaloudis, 2016). That given the research about the EU impact becomes more challenging and worth exploring. In these cases, we cannot isolate the impact of other potential variables on domestic change, thus this research will establish the causal effect between the independent and dependent variable while employing the methodology of process tracing. “Process tracing is a within-case qualitative method that attempts to identify the intervening...causal mechanism between an independent variable... and the outcome of the dependent variable” (George & Bennett, 2005).

This doctoral research conducts process tracing for a period of ten years (2008-2018). 2008 is considered a critical juncture for both countries and a period of ten years would ensure more reliable results. 2008 is selected as a critical juncture year for NM because in that year the Council of the European Union released a decision “on the principles, priorities and conditions contained in the Accession Partnership with the North Macedonia and repealing Decision 2006/57/EC” (Official Journal of the European Union, 2008). In this decision special reference was made to public administration reform, in particular merit based recruitment of civil servants and to fight against corruption. In 2008, Kosovo declared independence and many of international actors’ competences were passed on to newly established institutions. From a practical point of view, it is important to note that most of the international indicators and data on Kosovo has been researched and collected from 2008 and onwards.

The qualitative method was carried out through desk research and interviews. Desk research included the review of the following documents:

1. Annual reports by the European Commission
2. SIGMA reports;
3. High-level dialogue conclusions;
4. Road-maps;
5. EU leaders' speeches addressing these countries;
6. Government reports;
7. Other country specific documents.

These documents were analyzed by paying particular attention to the chronology of events in order to identify detailed connections between the causes and effects of specific developments.

Relevant existing indicators related to the concrete area were also analyzed including:

1. Balkan barometer – RCC, horizontal analysis of judiciary,
2. Freedom House country reports,
3. Transparency International- Corruption Perception Index,
4. UNDP perception surveys,
5. World Bank Governance indicators.

Moreover, semi- structured interviews were conducted in both countries with experts, government officials, EU officials, and civil society representatives. Different from the structured interview that has a rigorous set of questions, which do not allow the interview to divert, the semi-structured interviews are open. Given that, they allow new ideas to be brought up during the interview. The list of questions for the interviewers included the following

1. How do u evaluate the PAR, in particular the civil service and the fight against corruption through years 2008- 2018 (recruitment promotion, demotion, performance evaluation)?
2. What are the biggest achievements and what are the remaining problems?
3. Are there any preconditions necessary variables for EU external pressure to be effective?

4. What would be the main factors that have delayed or pushed forward the establishment of a professional civil service and the successful fight against corruption?
5. What is the key incentive or what triggers change in the civil service and fight against corruption?
6. What is the role of your institution in the civil service reforms and fight against corruption?
7. How do you view the EU role in PAR and in particular in civil service reforms and the fight against corruption?

The snowballing technique was employed for the interviews. Snowballing is a qualitative technique of data gathering with a non-probability sampling. Given that, existing study subjects propose future subjects and the researcher continues with interviews until the proposed subjects are repeated. Snowballing method is entirely based on referrals and this is how a researcher generates a sample. Once the proposed subjects are repeated, it indicates that all relevant stakeholders have already been reached.

The interpretation of the results, at the end of each country case analysis, with the purpose of answering our key research question - to what extent we can observe good governance change and new practices under the impact of the EU- was done in accordance with the four possible outcomes or directions of policy change that Radaelli (2003) draws upon as follows

- Retrenchment being a state that produces less “European” national policies.
- Inertia is a status quo stage; a stage in which change does not take place.
- Absorption is a state of change as adaptation. This means that domestic structures absorb changes, but still the ‘core’ framework remains the same and political behavior the same. Absorption can be low when it is in the first stages and high when it is considered to be in more advanced stages.
- Transformation is a state where fundamental and core changes take place including the political behavior.

## Main findings

This section presents separately the key outcomes of three research parts for both country case studies. Then, it seeks to compare and connect these outcomes in view of answering the central research question.

I. The main finding in chapter two is related to the deconstruction of good governance concept in the enlargement strategy.

In 2001, the EU released a White Paper on ‘European Governance’ in which it introduced the concept of good governance and emphasized the need to advance the European Governance overall. The introduction of the concept was not based on a single specific definition but it rather included a number of principles like openness, participation, accountability, effectiveness, and coherence. These principles consider good governance as an overarching variable that applies to all dimensions of policymaking. This paper put forward by the Commission continued to inform the debate on governance from a horizontal perspective (Kohler-Koch and Rittberger 2006), though it was also criticized for lacking clarity (Grzeszczak 2015). This form of definition was ‘old’ and not enough augmented both conceptually and analytically to result in a measurable definition that would facilitate our research study needs.

Therefore, this research has unpacked the concept of good governance by analyzing its promotion within the enlargement policy. In particular, it has analyzed all policy documents and mechanisms that the EU promoted and monitored the practice of good governance in the Balkans. The usage of the concept of good governance was traced back to 2004, when the first pre-accession mechanism was signed in the Balkans with NM. The analysis includes:

1. The mechanism of Stabilization and Association Agreements (SAA),
2. The high-political level dialogues, and
3. The policy document on enlargement strategy.

To begin with, the contents of all SAAs in the region cover a huge range of policy areas by assembling all EU demands including *Acquis*, political and economic

conditions. As shown in table 1, only the last SAA enforced in the WB, the one with Kosovo does explicitly mention good governance. The concept is referred in two cases:

*Considering the commitment of the Parties to institutions based on the rule of law, to good governance and democratic principles through a multi-party system with free and fair elections;*

and

*Cooperation shall aim to promote the principles of good governance in tax matters, transparency, exchange of information and fair tax competition in Kosovo, with a view to facilitating the enforcement of measures preventing tax fraud, evasion or avoidance.*

In the first case it mentions good governance along with rule of law and democratic principles as key basis to achieving free and fair elections. In the second sentence it approaches good governance from a horizontal perspective. The latter means that the concept of good governance is one that needs to be mainstreamed in various policy fields like exchange of information, fair competition, and transparency, all with the aim of preventing informal economy. The SAAs with other countries of the Balkans including NM, do not explicitly mention good governance, but they all entail various elements related to fight against corruption, rule of law, administrative capacities, regulatory burdens, tax systems, and similar.

Second, the EU External Action Service has initiated a list of priority policy reforms within the framework of high-political level dialogue for both country case studies; ‘Urgent Reform Priorities’ (URP) and European Reform Agenda (ERA) for NM and Kosovo, respectively. These were adopted on the basis of prioritization and on broad consultations with other stakeholders in both countries and are discussed regularly between EU and the country governments at the highest political level, twice a year.

As shown in table 2, one of the ERA pillars is named after as good governance, but none is named similarly in URP, though the URP pillar on rule of law and



fundamental rights contains many governance elements. In Kosovo priorities are related to good governance, education, competitiveness while in NM they are related to freedom of expression, rule of law, and implementation of specific recommendations of the 2013 Committee of Inquiry, lustration, and the electoral reform. In the case of NM priorities listed are more specific and address a narrower definition of good governance, while in the case of Kosovo these principles are enshrined in other sectors like employment and education. Overall, the reform priorities that the EU wants to import are contextualized and in both country case studies they do not entail the same dimensions of policy reform.

Third, the Enlargement Agenda covering all WB countries includes three key pillars including rule of law, fundamental rights and governance that need to be advanced and strengthened. In the Enlargement Package 2016, the key word search depicts that the Good Governance per se is mentioned only once in the first pillar/section, stating that good governance along with rule of law and fundamental rights remain crucial for advancement in the European path. Rule of law is mentioned twenty-three times throughout the text, fundamental rights are mentioned six times, and governance is mentioned five times. The latter is mentioned in reference to all pillars including economic competitiveness and public administration. Overall, the enlargement strategy presents a wide understanding of the good governance concept and prioritizes all its dimensions in terms of policy reform.

Moreover, the unpacking of good governance concept in the enlargement policy is rather challenging. In certain mechanisms the concept is not even mentioned although various policy reforms bounded to the concept are addressed throughout all these documents. In the SAAs of all WB countries, the concept was not mentioned in the text of any document, apart from in the last SAA signed with Kosovo. In the context of the enlargement strategy, good governance is understood as a crosscutting dimension that could be applied to all policy dimensions and is prioritized in the context of enlargement.

To sum up, there is no one specific definition of good governance employed in the enlargement policy. The understanding and promotion of good governance in countries that are part of the enlargement policy is observed as a crosscutting concept

that differs depending on the context and remains a broad one. Another approach to the concept is also the horizontal and the vertical one. The latter one mainly refers to the concept as a crosscutting variable while the prior approach discusses the concept as one that entails a group of principles that need to be bounded in all policymaking processes in a country. This understanding of good governance leaves ‘open room’ to researchers when studying the concept of good governance in the enlargement policy and eventually the impact of EU conditionality, to select their ‘preferred’ policy dimensions of the concept for further studies. In our research we employ the concept of good governance as a crosscutting variable in terms of civil service reform and fight against corruption.

- II. The main finding of chapter three is the limited impact of the EU conditionality in the transformation of civil service in both countries, NM and Kosovo. In both case studies the civil service remains in an absorption stage, while lacking transformation, disregarding the country differences in the EU accession path. These small changes and reforms were due to EU conditionality, but not only. Other donors like UK, USAID, UNDP and the World Bank, were also involved in the process of reforming the public administration, in particular the civil service. Thus, their impact could not be isolated, but the process tracing methodology allowed us to closely monitor and analyze only the EU impact in this process.

Public administrations remain a key horizontal reform because they provide the framework for implementing all other policies. According to the Commission “high quality, reliable public services and legal certainty were historically a major precondition for the economic success of today’s front-runner countries” (European Commission, 2010). One of the lessons learnt from the Eastern Enlargement (2004 and 2007 round) is the need to have consolidated public administrations in order to be able to implement the *EU Acquis*. In 1993 Copenhagen criteria did not have any implicit administrative criterion, and the EU did lack a specific template on its own administrative systems (Elbasani, 2013), but the EU constantly put pressure on enlargement countries to reform their administrations. Basically, EU members are autonomous in building their own administrative legal frameworks, and their public services (SIGMA, 2014). However, knowing the importance of well-developed administrative capacities and the weak state of play in the enlargement countries, in

2014, the Support for Improvement in Governance and Management (SIGMA), a joint initiative of the OECD and the European Union, in close cooperation with the Commission developed and defined six principles of good public administration as an indispensable criterion for competitiveness and growth. For the first time, the Commission offered a template of how and what should efficient public administration entail in practice. Thus, each country's progress in terms of public administration reform is measured against six principles developed primarily by SIGMA, including the strategic framework for public administration reform; policy development and co-ordination; public service and human resource management; accountability; service delivery; public financial management (Principles of Public Administration, 2014). Although, conditionality in relation to building a professional administration has been present since the Copenhagen criteria, and was further elaborated and highlighted in the framework of 1992 Madrid criteria.

In both NM and Kosovo, civil society organizations report civil service as extremely politicized and used for party clientelism. Civil societies including media have also been active in monitoring and reporting non-merit based recruitments. Those interviewed also share the same opinion related to the high politicization of the civil service. According to them, public administration reform, in particular the civil service reform has high political costs for the ruling elites, thus there is reluctance to change and willingness to delay such processes. High adaptation costs including human and financial resources are another highlighted factor for the lack of real reforms. Furthermore, in the 2018 poll by the Balkan Barometer, citizens in both countries believe that public sector is the most corrupted sector in the economy, 56% (Kosovo) and 57% (NM). More than half of the respondents do not view the administration as free from corruption or with an adequate level of integrity. 78% of citizens in Kosovo think that non-merit based factors like family connections, bribes, and party affiliation are decisive to getting employment in the public administration (UNDP Public Pulse, 2018).<sup>12</sup> The interviewees', the poll results, and civil society reports share very similar views about the current state of play in the civil service. The EU Commission assessment, as shown in figure 9, the comparison on compliance data with Commission recommendations shows no major differences between the two

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<sup>12</sup> This UNDP public pulse report is not produced for NM.

countries. From year to year, both of them have mostly made no progress or rarely some progress. On the other hand, the major difference between the two countries lies in the level of preparedness to take on membership obligations related to public administration criteria, including those on the civil service. As shown in figure 8, NM has a moderate level of preparedness, whereas Kosovo has only a small level of preparedness to take on membership obligations related to PAR. One factor that can account to this difference is the higher number of *EU Acquis* adopted by NM compared to Kosovo, as NM has started to implement requirements deriving from the SAA in 2004, compared to Kosovo that started in 2016. This difference between the two countries is not highlighted in any other international indicator, in civil society reporting, or during the interviews conducted.

This ten-year period (2008-2018) does not evidence any change of a transformative nature in NM and Kosovo civil service in the course of European integration. First, the findings depict a rampant strategy of legal infrastructure and other policies like strategies and by-laws continuously being changed. The frequent legislative changes created an insecure legal environment and undermined the importance of changes in the system.

The research shows that once the legislative packages were adopted, it took few years for the sponsoring agencies (ministries) to adopt secondary legislation. Subsequently, the lack of secondary legislation delayed implementation and made it more difficult. Another factor contributing to the delay of adoption of secondary legislation was the lack of professional civil service capacities. Civil servants did have problems with absorption capacities; thus, technical problems aroused in terms of drafting and understanding secondary legislation. Another factor identified was the political unwillingness to proceed with the reforms due to the high cost of reforms, which lead to delays in adoption of secondary legislation and implementation of these policies. The lack of political willingness could also be observed in that the government until lately did not prioritize the reforms on administration including the civil service. On the other hand, the political rhetoric of prioritization employed later on did not lead to any major transformative change in the civil service. The findings show that this form of public speaking was mainly born due to the European conditionality and the

prospect of joining the Union. However, this conditionality was weak in terms of its effectiveness due to the rough environment of so many interests involved.

The findings show that major problems remain in the civil service independent of the advancements made in the legislative and strategic frameworks. As explained in the methodological section, we employ the Radaelli scale to give a clearer picture of where the civil service stands in the context of EU conditionality. Firstly, it is evident that the civil service did not undergo the *retrenchment* phase meaning that this policy is not less Europeanized due to EU conditionality. Secondly, the findings show that this reform cannot be categorized in the *status quo* phase as changes took place in some aspects of the reform. Thirdly, for classifying civil service into the transformation phase, in practice the above-discussed problems would not exist and we would face a transformation in the political elite behavior, as well. However, no such changes could be observed during this ten-year period.

As an endnote, the civil service remained in the absorption phase while adopting various legislative frameworks that were both demanding and onerous. On the other hand, the real reforms were postponed due to high political costs for the ruling elites and they were delayed due to the high adaptation costs for the government. Thus, the current reform processes did only fake the real reform by doing the talk of the reform, while the real transformation, which in practice equals successful implementation of the reform and tangible results lacks in both countries.

- II. The main finding of chapter four is related to the limited impact of the EU conditionality in fighting corruption, in both countries, NM and Kosovo. Anti-corruption policy remains in an absorption stage, while lacking transformation for a period of ten years, in both countries, disregarding their differences in the EU accession path.

Corruption undermines public trust in institutions and hampers socio-economic development by destroying the standard of life and eroding the ability of authorities to deliver justice, yet it remains a widespread problem with 120 billion euro costs to the EU economy (Migration and Home Affairs, 2020). In the Balkans, though there is no

related corruption economic cost statistics, perception corruption related indicators show that the phenomenon is of high concern. According to CPI, a credible global corruption perception indicator, as shown in figure 15, neither NM nor Kosovo have reached a half level of cleanness during one decade (2008-2018), while in 2018 scoring their rating matches (3.7) independent of their differences in the EU accession stage. On the other hand, political written commitments at the highest level like the Berlin Summit and the national public discourse toward anti-corruption zero-tolerance policy were constantly made. Similar to the civil service reforms, both countries face no major differences in terms of the progress achieved in the fight against corruption, as shown in figure 23. In the case of Kosovo, the longest period of no progress was five years (2010-2015), whilst in the case of NM it was for two periods of three years (2010-2013 and 2014-2016). Similar views are held by CSO representatives in both countries, who view corruption to remain a major problem of socio-economic development of the country. The only difference is related to the level of preparedness as shown in figure 22, NM has *some level* of preparedness to meet EU obligations in fighting corruption and has not moved upwards, while Kosovo remains in an *early level* of preparedness to meet EU obligations in the anti-corruption policy. This difference could be accounted to the higher number of legislation adopted in NM compared to Kosovo, but not to the implementation scale.

As explained in the theoretical framework, political stability and political willingness are two key domestic pre-conditions necessary for effective conditionality policy. First, political stability was lacking as NM and Kosovo were faced with four and three early parliamentary elections, respectively. New parliamentary elections led to a number of months and in some cases years spent in building coalitions or to bringing the opposition back to the parliament. During this time the EU agenda was ‘put on hold’ and there was no progress while countries were characterized with political and institutional instability. The same view is held by CSOs who monitor the work of the government in this realm. Second, political willingness is not an easily quantifiable variable, yet it can be qualitatively assessed through interviews, as is our case. Most of our interviewed share the same view about the lack of political willingness to fight corruption. Political willingness is viewed as one of the key impediments to successful implementation of the anti-corruption framework. In addition, the undue political interference was viewed as the key factor leading to selective implementation

of the legislation in both countries. The anti-corruption Commission recommendations being repeated from year to year is a clear indication that the political elites were only doing the talk of reforms by adopting new legislation with no political willingness to implement it during this decade (2008-2018).

Moreover, the research evidences that a rampant strategy of establishing new legislation and new anti-corruption strategies was present in both countries. In parallel, a number of mechanisms including awareness rising, coordinating, preventing, investigating, and sanctioning mechanisms were introduced as a response to the fight against corruption in both countries. These frameworks are necessary, but not sufficient to fight corruption. These strategies were merely effective in absorbing the *EU Acquis*, but a number of other factors hampered implementation. These factors included the high adaptation costs including financial and human resources, the insignificant size of rewards, and the low risk of threats and penalties. All these have led to no implementation or selective implementation of legislation and mechanisms' objectives that impeded any form of transformation. This phenomenon is also interpreted as - the real reforms were faked with the adoption of new legislation and new mechanisms toward fighting corruption, while lacking real transformation. Generally, they were postponed due to the high political costs for the ruling elites, the lack of real risk and penalties from the EU and they were delayed due to the high adaptation costs for the government and the EU low risk of threats.

### **Theoretical Implications**

The research hypotheses are accepted and they are based on the theoretical model of external incentives model, a mechanism of Europeanization. The external incentives model being a rationalist bargaining model employs the logic of consequences and generally explains the rule adoption behavior of enlargement countries. The behavior of key actors - NM and Kosovo government- is partially explained through this model, since both governments have shown reluctance to adopt the EU rules if the promised benefits do not exceed adaptation costs.

However, in practice the dynamics became more complicated since what was in the interest of the EU – was not necessarily in the interest of NM and Kosovo government.

First, the civil service reform presented large political costs for the elites in power, thus independent of the financial and human assistance provided by the EU, the research shows that civil service reform remained a 'paper priority' for both governments. In addition, there was lack of clear risk and penalty from the EU in case of lack of implementation of such reforms. This government position could be explained if one looks at the costs of adopting the civil service reform. Any successful implementation of the civil service reform, which at its core includes a merit - based system of recruitment, would be translated into diminished influence in the recruitment process within the administration. The lack of influence in recruitment, dismissal and promotion processes, in weak economies with high unemployment rates like NM and Kosovo, in practice presents 'lost power' and 'influence' for the respective political party. This phenomenon is also explained through the lenses of transition democracies, which have continuously used the administration to stay in power while controlling the recruitment process.

Second, similar to the civil service reforms, the anti-corruption reforms were a policy priority and an electoral promise by every incoming government. However, the anti-corruption discourse remained only in papers and in the speeches and remarks of the political elites. NM and Kosovo governments were interfering in the implementation of the anti-corruption legislation, subsequently leading to selective justice. This behavior could be explained with the high political and adaptation costs of such reforms, in particular compared to the benefits provided by the EU. The benefits were limited to financial and technical assistance as part of the conditionality policy, but they were not tangible in terms of advancing the countries in their EU path. At the same time, the EU in case of no progress or regress made by enlargement countries used no instruments, indicating low risk for non-compliance for these countries.

Overall, this model of rationalist bargaining model explains partially the behavior of NM and Kosovo government in the course of EU integration. Based on this model countries adopt EU rules if the benefits of EU rewards exceed its adaptation costs. The cost-benefit analysis of rewards and adaptation costs of a country government depends on factors like the size and speed of rewards, the credibility of threats and promise, and size of adaptation costs, but it does not identify political costs as part of



this equation. On the other hand, this research evidences that political cost for the elites in power is another key factor in explaining the behavior of the NM and Kosovo in regards to rule adoption. Thus, an external incentives model that includes the political costs does fully explain the behavior of enlargement countries toward compliance with the EU legislation and rules.

### **Policy Recommendations**

The policy recommendations are grouped in two categories, a number of recommendations are directed to the governments of NM and Kosovo and the other to the European Union.

#### **I. To the governments of NM and Kosovo:**

- The governments should take full advantage of their national capacities in the process of planning and coordination of reforms.
- The governments should raise awareness and capacity of all domestic stakeholders to adopt and implement EU legislation and rules.
- The governments should not aim to adopt new legislation or amend it for ‘box ticking’ purposes before a thorough analysis is made on the implementation challenges of such legislation.
- The governments should adopt result-oriented monitoring instead of process-oriented monitoring of all policies.
- The governments should engage in an open dialogue with the civil society and should accept any constructive criticism from them.
- The governments should put concentrated efforts to ensure reform sustainability by engaging heavily in the reforms and by considering citizens as the primary beneficiaries of such reforms instead of putting efforts to ‘tick the box’ during the EU assessments.

## II. To the European Union:

- The new enlargement methodology proposed in 2020, aimed at strengthening the entire process, encompasses four principles including gradual association, stringent conditions, tangible benefits, and the reversibility (European Parliament briefing, 2020). The EU has taken the necessary step by introducing such criteria to improve the process and should continue to streamline its reversibility criterion for the purpose of inducing greater compliance of enlargement countries with EU legislation and rules.
- The EU should take full advantage of its conditionality policy to ensure that good governance reforms in the enlargement countries reach a transformative level.
- The EU should improve its monitoring mechanism to a results-oriented instrument for the purposes of assessing realistically the state of play. Only an authentic state of play report could result in concrete recommendations to enlargement countries.
- The EU should provide specific and result oriented recommendations to enlargement countries in order to avoid any government efforts to report fake compliance with EU legislation and rules.
- The EU should continue to heavily engage with civil society as his key supporter on the ground to monitor, report, and put pressure on the government for the sake of inducing greater compliance with the EU legislation and rules.

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## APPENDIX A: List of all EU Projects in Kosovo related to Public Administration Reform (2008 -2018)

Nr.	Project Title	Status	Start Year	End Year	EU amount invested
1	Technical Assistance to design the SME Support Programme in Kosovo	Closed	2008	2008	36,413
	Assistance to the design of project in Public Financial Management under IPA 2008, Kosovo (UNSCR 1244) - Part I	Closed	2008	2008	37,812
	Technical Assistance for conducting an IT Needs Assessment in Tax Administration of Kosovo	Closed	2008	2008	78,219
	EU Scholarships in Civil Service	Closed	2008	2010	964,206
	Insolvency Capacity Building in Kosovo	closed	2008	2010	887,557
	Support to the Ministry of Local Government and Administration	Closed	2008	2011	1,053,758
	Support to Local Government	Closed	2008	2011	2,991,419
	Preparation of Fiscal and Customs Blueprint exercise in Tax and Customs Administrations of Kosovo (UNSCR 1244)	Closed	2009	2009	102,876
	Further Support to the Budget Development Management System (BDMS)	Closed	2009	2010	139,615



Improving the quality of public investments in Kosovo and preparing the ground for EU funds	Closed	2009	2012	3,270,268
Support to Customs and Taxation Administrations	Closed	2009	2012	2,556,676
Support to the process of improving Public Management Control and Accountability in Kosovo	Closed	2009	2011	1,392,867
Support to the Office of the General Auditor of Kosovo to meet EU standards	Closed	2009	2011	999,123
Support to the Agency for Co-ordination of Development and European Integration (ACDEI)	Closed	2009	2012	2,239,840
European Union Election Expert Mission to Kosovo	Closed	2009	2010	179,887
Preparation of IT project in Tax Administration	Closed	2009	2010	173,040
EU Scholarship Scheme - Round VI	Closed	2010	2013	1,457,117
Support to Civil Registration Agency and Unified Address System	Closed	2010	2014	2,927,550
European Union Election Expert Mission to Kosovo	Closed	2010	2011	164,657
European Union Election Expert Mission to Kosovo	Closed	2011	2011	23,449
European Union Electoral Reform Expert	Closed	2011	2012	191,150
Evaluation of the Medium Term Peer Assistance to Kosovo	Closed	2011	2013	75,072
Support to Kosovo Assembly	Closed	2011	2013	1,485,068
EU scholarship scheme	Closed	2012	2015	995,000

Aid Management Platform - Institutional Strengthening and Sustainability	Closed	2012	2015	674,451
Further support to the office of the Auditor General of Kosovo to reach EU good practice standards	Closed	2012	2015	1,366,157
Technical Assistance to the Ministry of Finance	Closed	2012	2013	9,800
Assistance to the design of project in Public Finance under IPA 2012	Closed	2012	2013	57,064
Assistance to the design of project in Public Administration Reform under IPA 2013	Closed	2013	2013	29,914
Support to the process of public administration reform by improving public finance management and accountability in Kosovo	Closed	2012	2016	956,528
Further support to Public Administration Reform	Closed	2013	2015	800,000
Assesment of Serb majority municipalities in Kosovo, with focus on the municipalities of Northen Mitrovica, Zvecan, Zubin Potok and Leposavic	Closed	2013	2013	27,524
Assessment of the capacities and strengthening of the key Kosovo structures for the EU acquis transposition and policy coordination.	Closed	2013	2014	200,000
Facilitation of Municipal Elections in Northern Kosovo 2013	Closed	2013	2014	784,090
Support to Statistics	Closed	2013	2016	1,350,000

Support to Kosovo's Policy and Strategic Planning	Closed	2013	2016	2,558,513
Support to Kosovo Customs	Closed	2014	2016	1,673,494
Strengthening the functioning of Kosovo Assembly	Closed	2014	2015	237,659
Evaluation of the EU-funded projects in the area of Public Financial Management	Closed	2014	2015	86,678
Technical assistance to the civil status system in Kosovo	Closed	2014	2015	294,468
Digitalisation of Certified Copied Civil Registry Books	Ongoing	2014	2016	1,397,589
Support to Customs - Provision of an integrated law enforcement system Kosovo	Closed	2015	2016	391,700
Addendum No. 5 to Service Contract No.2012/308-992 - Support to the process of public administration reform by improving public finance management and accountability in Kosovo	Closed	2015	2016	487,475
Young Cell Scheme	Closed	2015	2017	1,415,856
Gender Mainstreaming Assistance for IPA 2016 Programming in Kosovo	Closed	2015	2018	70,000
Further Support to the Kosovo Assembly	Closed	2016	2018	1,284,071
Securing sustainability of the operational capacity within the Office of the Auditor General Kosovo	Closed	2015	2016	229,846

Project preparation facility for Ministry of European Integration, Kosovo	Ongoing	2016	2018	1,498,500
Support for Strategic Planning Office on Economic Reform Program and National Development Strategy	Closed	2016	2017	188,748
Digitalisation of the Certified Copies of Civil Registry Books 2	Closed	2016	2018	920,247
Support to SFIE to draft "National Strategy for the Prevention of and Fight against Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes 2019-2023"	Ongoing	2018	2019	12,000
Support to Strategic Planning Office	Ongoing	2018	2021	810,000
Young Cell Scheme (Round XI-XII)	Ongoing	2017	2020	3,000,000
Developing professional capacity of the Kosovo National Audit Office (KNAO) regarding audit of Publicly Owned Enterprises (POEs)	Ongoing	2017	2018	200,000
Support Kosovo institutions on SAA implementation	Ongoing	2017	2019	1,625,000
Evaluation of the EU funded support to the Kosovo Assembly	Ongoing	2018	2018	30,600
Monitoring of PAR SRC indicators	Ongoing	2019	2021	237,260
Sector Reform Contract for PFM	Ongoing	2018	2024	21,000,000
Support to the Public Administration Reform process	Ongoing	2017	2019	1,598,000

Sector Reform Contract for Public Administration Reform	Ongoing	2017	2023	22,000,000
Horizontal support for PAR/PFM	Ongoing	2017	2018	6,000
Support to the revision of the Regulation on Senior Management appointments	Ongoing	2018	2018	19,600
TOTAL:				93,951,471

## APPENDIX B: List of people interviewed

Nr	The interviewer information: name, surname, institutional affiliation	Summary of Interview Questions	Interview Summary	Date and Location
1	Florina Duli, CSO PAR expert, Kosovo	<ul style="list-style-type: none"> <li>- How do u evaluate good governance reforms related to civil service and anti-corruption policy?</li> <li>- What are the biggest achievements and what are the remaining problems?</li> <li>-Are there any preconditions necessary variables for EU external pressure to be effective?</li> <li>- What would be the main factors that have delayed</li> </ul>	<p>Overall, the interviewee was skeptical about any transformative change in the system.</p> <p>The biggest changes were related to adoption of legislation, which at the same time due to frequent changes were considered as a risk for the sustainability of the reform. Problems are numerous related to non-merit based promotion and demotion of civil servants.</p> <p>Domestic political willingness is</p>	06 May, 2019. Prishtine, Kosovo. Personal Interview.

		<p>or pushed forward the establishment of a professional civil service and effective anti-corruption policy?</p> <p>- What is the key incentive or what triggers change in the civil service and effective anti-corruption policy?</p>	<p>considered as the key driving force for any change.</p>	
2	<p>Visar Rushiti, CSO representative, D+, Kosovo</p>	<p>-How do u evaluate good governance reforms related to civil service and anti-corruption policy?</p> <p>- What are the biggest achievements and what are the remaining problems?</p> <p>-Are there any preconditions necessary variables for EU external pressure to be effective?</p> <p>- What would be the main factors that have delayed or pushed forward the establishment of a professional civil service?</p> <p>- What is the key incentive or what triggers change in</p>	<p>Overall, the interviewee was skeptical about any transformative change in the system.</p> <p>The biggest changes were related to adoption of legislation. The interviewee identified specific positive changes in the system like the elimination of the three year contract for civil servants, and concept clarifications of who represents a civil servants. A number of problems related to non-merit based recruitment of senior civil servants remain.</p> <p>Domestic political willingness remains a key factor in pushing transformative</p>	<p>26 April 2019. Prishtine, Kosovo. Personal Interview.</p>

		the civil service?	change, according to the interviewer.	
3	Agron Demi, CSO representative, GAP Institute, Kosovo	<p>How do u evaluate good governance reforms related to civil service and anti-corruption policy?</p> <p>- What are the biggest achievements and what are the remaining problems?</p> <p>-Are there any preconditions necessary variables for EU external pressure to be effective?</p> <p>- What would be the main factors that have delayed or pushed forward the establishment of a professional civil service and effective anti-corruption policy?</p> <p>- What is the key incentive or what triggers change in the civil service and anti-corruption policy?</p>	<p>Overall, the interviewee was skeptical about any governance transformative change. He did provide us with a comprehensive overview of the donors present and problems related to donor coordination, according to whom they present an obstacle or delay change in the system.</p> <p>Domestic political willingness, government stability, and human resources are three key preconditions to change in the system, according to the interviewee.</p> <p>Political patronage remains a key condition that hampers change, according to the interviewee.</p>	10 May 2019. Prishtine, Kosovo. Personal Interview.
4	Erna Hasangjekaj, Ministry of Public Administration, Director of EU Integration and PAR, Kosovo	<p>-What is the role of your institution in the civil service reforms?</p> <p>-How do u evaluate the PAR, in particular the civil service through years</p>	Hasangjekaj has underlined that the European Commission has been very helpful in a number of reforms related to PAR and they have initiated many processes.	07 June 2019. Prishtine, Kosovo. Personal Interview.

		<p>2008- 2018 (recruitment promotion, demotion, performance evaluation)?</p> <p>- What are the biggest achievements and what are the remaining problems?</p> <p>-Are there any preconditions necessary variables for EU external pressure to be effective?</p> <p>- What would be the main factors that have delayed or pushed forward the establishment of a professional civil service?</p> <p>- What is the key incentive or what triggers change in the civil service?</p>	<p>According to her, the Commission remains the key incentive to change. Though, PAR related reforms are not an easy process and they take time.</p> <p>According to her, one of the biggest achievements were the 2019 package of laws.</p> <p>She also underlines that for such reforms political support from the top is necessary; however, this has been lacking in their case as the Minister for three times in a row came from a minority community (not having such political power to push forward these processes).</p> <p>Major problems remain with non-merit based recruitment and low civil servant wages.</p>	
5	Felix Rathje, EU Office, Kosovo	<p>- How do you view the EU role in PAR and in particular in civil service reforms?</p> <p>-How do u evaluate the PAR, in particular the civil service through years 2008- 2018 (recruitment promotion,</p>	<p>According to the interview, civil service remains politicized and a lot remains to be done.</p> <p>EU remains the key incentive to change civil service.</p> <p>Lack of political willingness is the key factor that</p>	08 May 2019. Prishtine, Kosovo. Personal Interview.



		<p>demotion, performance evaluation)?</p> <p>- What are the biggest achievements and what are the remaining problems?</p> <p>-Are there any preconditions necessary variables for EU external pressure to be effective?</p> <p>- What would be the main factors that have delayed or pushed forward the establishment of a professional civil service?</p>	<p>contributes to the deficient implementation of the civil service legislation.</p> <p>It also remains as the key precondition to successful implementation of the civil service reform.</p>	
6	Mikaela Gronviqst, EU Office, Kosovo	<p>- How do you view the EU role in PAR and in particular in civil service reforms?</p> <p>-How do u evaluate the PAR, in particular the civil service through years 2008- 2018 (recruitment promotion, demotion, performance evaluation)?</p> <p>- What are the biggest achievements and what are the remaining problems?</p>	<p>The interviewee provided us with a list of active and passive projects related to PAR in Kosovo since 2008. According to her, the EU is one of the key incentives for change.</p> <p>Changes have taken place in the system, though a non-merit based recruitment remains in place. She agreed and reiterated all the Commission findings related to PAR.</p> <p>She has also highly valued the role of</p>	02 June, 2019, Prishtine, Kosovo. Personal Interview.

		<p>-Are there any preconditions necessary variables for EU external pressure to be effective?</p> <p>- What would be the main factors that have delayed or pushed forward the establishment of a professional civil service?</p>	<p>CSO in this reform process.</p> <p>According to her, political willingness remains key in transforming the PAR, in particular the civil service.</p>	
8.	Zoran Nechev, CSO representative, North Macedonia	<p>How do u evaluate good governance reforms related to civil service and anti-corruption policy?</p> <p>- What are the biggest achievements and what are the remaining problems?</p> <p>-Are there any preconditions necessary variables for EU external pressure to be effective?</p> <p>- What would be the main factors that have delayed or pushed forward the establishment of a professional civil service and effective anti-corruption policy?</p> <p>- What is the key incentive or what triggers change in the civil service and in anti-</p>	<p>According to the interviewee, EU remains the key incentive to improve good governance.</p> <p>Both civil service and anti-corruption remain at an absorption level of change. Civil service continues to be politicized and anti-corruption policy remains ineffective.</p> <p>The effectiveness of the EU external pressure depends on several factors including political and institutional stability of the enlargement country and on the size of rewards provided by the EU.</p> <p>Governments in the Western Balkans, including NM, continue to improve legislation, but</p>	20 April, 2020 (Skype interview)

		corruption policy?	implementation is deficient.	
9.	Ivan Stefanovski, Director of the Center for European Strategies, North Macedonia	<p>How do u evaluate good governance reforms related to civil service and anti-corruption policy?</p> <p>- What are the biggest achievements and what are the remaining problems?</p> <p>-Are there any preconditions necessary variables for EU external pressure to be effective?</p> <p>- What would be the main factors that have delayed or pushed forward the establishment of a professional civil service and effective anti-corruption policy?</p> <p>- What is the key incentive or what triggers change in the civil service and in anti-corruption policy?</p>	<p>Administration in essence remains highly politicized; through new law were adopted and anti-corruption fight remains ineffective during this ten-year period. Gruevski has been the synonym of state capture. During his mandate, the number of people employed in the administration was continuously increased.</p> <p>Bottom up pressure for reforms is a key precondition for conditionality to be successful. Though, whenever the CSOs support the government there is a fiasco immediately.</p> <p>A straight carrot from EU side would induce some substantial reforms to take place in good governance.</p> <p>Advanced absorption phase, though 10-15 year far from the</p>	21 April, 2020 (Skype interview)

			transformation stage. The new government in 2017 brought a nominal change, though in essence nothing has changed dramatically.	
10.	Simonida Kacarska, Director of the European Policy Institute. North Macedonia.	<p>How do u evaluate good governance reforms related to civil service and anti-corruption policy?</p> <p>- What are the biggest achievements and what are the remaining problems?</p> <p>-Are there any preconditions necessary variables for EU external pressure to be effective?</p> <p>- What would be the main factors that have delayed or pushed forward the establishment of a professional civil service and effective anti-corruption policy?</p> <p>- What is the key incentive or what triggers change in the civil service and in anti-corruption policy?</p>	<p>The interviewee argues that up until 2009, high level of involvement in various policies due to the visa liberalization. Then 2010-2016 we have a regress or no-progress in advancing the EU agenda mainly due to the lack of opening the accession talks and the lost opportunity to join NATO. Given that, the government changed its priorities.</p> <p>According to the interviewee 2017 takes a positive turning point with the consolidation of the new government that took concrete steps toward fighting corruption.</p> <p>Both the civil service reform and the anti-corruption policy are not based on</p>	20 April, 2020 (Skype interview)

			<p>hard <i>Acquis</i>, thus they are more complex to measure and monitor.</p> <p>According to the interviewee civil service remains politicized and anti-corruption has not been at the forefront of the agenda due to a number of political problems.</p>	
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