

POLICIES COORDINATION IN PUBLIC ADMINISTRATION IN THE REPUBLIC OF MACEDONIA

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INTRODUCTION

‘Governance’ is a term denoting exercise of power or authority – political, economic, administrative or other – in the management of a country's resources and affairs. It determines who has power, who makes decisions, how other players make their voices heard and how account is rendered. This concept comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and settle their differences. It should be noted however that governance is not synonymous with government. This confusion of terms can have unfortunate consequences. A public policy issue where the core of the matter is a problem of "governance" becomes defined implicitly as a problem of "government", inducing immediately the effect that its "fixing" is necessarily a responsibility of the government. Yet, as long as governance is not about government, what is it about? Partly it is about how governments and other social organizations interact, how they accomplish rapport to citizens, and how decisions are taken in a complex world.

In fact, governance is a process through which societies or organizations make their essential decisions, determine whom they involve in the process and how they render account. As a process is hard and too complex to observe, we often tend to focus on the governance system or framework upon which the process rests - that is, the procedures or policies that define who gets power, how decisions are taken and how accountability is rendered. The governance perspective examines the broad range of institutions that influence how public policy goals are met or fail to be met.

As of lately, the concept of "good governance" has been brought into prominence. ‘Good governance’ means competent management of a country's resources and affairs in a manner that is open, transparent, accountable, equitable and responsive to people's needs. Nevertheless, the experience throughout the world has shown that this is not an easy task to accomplish at all, owing, inter alia, exactly to differences in the understanding or interpretation of the meaning of the term ‘good governance’. Literature mostly states that principles are determinants defining and supporting the concept of good governance.

Most institutions promoting good governance work by a set of seven principles known as the Nolan Principles which, if followed by all agencies and individuals, should lead to a responsive and trustworthy government. The seven Nolan Principles (The Independent Commission on Good Governance in Public Services, *The Good Governance Standard for Public Services*, OPM and CIPFA, 2004, http://www.cipfa.org.uk/pt/download/governance_standard.pdf) are selflessness, objectivity, integrity, honesty, accountability, openness and leadership. Public servants should be *selfless* in that their professional decisions should bring benefits to the public, not to themselves. They must also take care *to remain objective* and not favor one public or private group over another. The principles of *honesty* and *integrity* assume that just telling the truth is not enough. In the context of public life, these principles require that public servants

ensure that they are not indebted to external interests such as lobbyists or corporations that may try to influence them in an unacceptable way. Though not all relationships to such organizations must necessarily be negative, the principle of honesty directs public servants to disclose relationships that have even the potential for a conflict of interests. Since the most effective citizens are the most knowledgeable ones, it is important that they have access to information about who in the government is making decisions and the effects of those decisions. The principle of *openness* is the driving force behind government websites that publish statements on new legislation and department budgets. The principle of *accountability* states that public servants are accountable for their actions. The principle of *leadership* calls for public servants to apply the above listed principles and enforce them amongst their staff. Also, they should build good rapport with their staff and work environment that supports the mission of their agency.

The UNDP acknowledges the following as core characteristics of good governance: participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability and strategic vision.

Participation - All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation rests on freedom of association and speech, as well as capacity to take a constructive part.

Rule of law - Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.

Transparency - Transparency is founded on the free flow of information. Processes, institutions and information are directly and easily accessible to those concerned with them, and enough information is provided to understand and monitor them.

Responsiveness - Institutions and processes try to serve all stakeholders.

Consensus orientation - Good governance reconciles differing interests to reach a broad consensus on the best interest of the group and, where possible, on policies and procedures.

Equity - All men and women have opportunities to improve or maintain their wellbeing.

Effectiveness and efficiency - Processes and institutions achieve results that meet needs through the best use of resources.

Accountability - Decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organisation and whether the decision is internal or external to an organisation.

Strategic vision - Leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded (UNDP, 1997).

The above listed principles of good governance are described at a significantly general level. However, each Government endeavours to translate them in practice in order to provide a high degree of service performance which it ethically and transparently protects, represents and offers to its citizens. In these endeavors, Republic of Macedonia should scrutinize the way in which EU builds up and coordinates its policies, given the fact that the integration into EU is one of the main national strategic goals, enjoying the support of majority of the citizens. A goal set in that way implies not only scrutiny and observation of the general EU policy, but also practicing its manner of public policy governance. EU performs this through incorporation of two systems: Regulatory Impact Assessment System and Sustainability Impact Assessment System.

In the Republic of Macedonia, the Government creates and implements the development policy of the country, while the Assembly is involved directly in normative regulation of public policies representing the lawmaking power. This Paper presents how and to what extent the Government and the Parliament of the Republic of Macedonia implement and apply the approaches already accepted by EU. Furtheron, the paper highlights the procedures that facilitate synchronization of public policies from different areas and it is a

pioneer attempt to explain the methodological approach in the application of the Regulatory Impact Assessment System and Sustainability Impact Assessment System in policies governance in the Republic of Macedonia.

GOOD GOVERNANCE AND THE EUROPEAN UNION

The European Commission established its own concept of governance in the White Paper on European Governance (CEC, 2001), where the term "European governance" refers to the rules, processes and conduct affecting the way in which powers are exercised at European level, especially in terms of openness, participation, accountability, effectiveness and coherence. These five "principles of good governance" supplement and strengthen those of subsidiarity and proportionality. The White Paper describes the way in which the Union uses the powers given to it by its citizens.

The White Paper affirms that the EU good governance relies upon the said five principles. It does not actually define the principles, though it illustrates the meaning of those in the EU context. Each principle is a building block in the process of establishing more democratic governance. They add force to democracy and the rule of law in the Member States, and apply to all levels of government – global, European, national, regional and local. Given their importance, brief description of the five principles is given hereunder.

Participation. The quality, relevance and effectiveness of EU policies strongly rely upon ensuring wide participation throughout the policy chain – from concept establishment to implementation. Enhanced participation will certainly result in increased confidence in the output and definitely in the institutions which deliver policies. Participation assumes that central governments follow an inclusive approach when developing and implementing EU policies. This means that prerequisite of participation is a set of activities aimed at engaging or influencing public institutions. Participation in decision making process can take several forms. They differ in terms of who is making decisions and the level at which they are making the decisions. Different stakeholders define participation in different ways. The most basic interpretation of participation among decision makers is participation as working together to achieve common goals, through mobilizing one's own stakeholder group to achieve narrow goals. Participation is also appreciated as a possibility to facilitate broad accountability, which is why participation is one of the key concepts in the White Paper on Governance. It is supposed to enhance both the legitimacy and effectiveness of European governance (CEC, 2001). The key issues here are who should participate in the policy development and implementation process, at what level and when should participation take place. The CFP framework Regulation calls for broad involvement of stakeholders at all stages of the policy from conception to implementation.

Openness. Democracy dictates that the EU Institutions work in as much open manner as possible. In close cooperation with the Member States, they should take a proactive approach through permanent dissemination of what the EU does and the decisions it takes. In doing so, they should present such information using language that is understandable for the general public. This is of vital importance when it comes to desired improvement of the confidence in otherwise complex institutions. Accordingly, openness assumes active communication with stakeholders and society at large, using language sufficiently clear to be understood by wider public, about actions and decisions taken by the relevant institutions.

The principle of openness is closely related and intertwined with the principle of *Accountability*. Actors and institutions involved in legislative and executive processes should have well defined and as clear as possible roles. Each of the EU Institutions must explain what it does and demonstrate its ability to take responsibility for this in Europe. However, there is also a demand for greater clarity and responsibility from Member States and all those involved in developing and implementing EU policy at all levels. This means that there is a need to answer for the results of one's actions or the institutionalised responsiveness to those affected by one's action.

Coherence. Policies and actions must be coherent and easy to understand. The need for coherence in the Union has noted constant rising, today being greater than ever, as the range of tasks has grown; the process of enlargement has increased and will further increase diversity; challenges such as climate and demographic changes go beyond the sectoral policies on which the Union has been built; regional and local authorities are increasingly involved in EU policies. So, Coherence requires political leadership and strong responsibility by the Institutions to ensure a consistent approach within a complex system.

Effectiveness. Policies must be effective and timely, and this requires performance aimed at delivering what is needed on the basis of clear objectives, evaluation of potential impact and, where available, analysis of past experience and application of lessons learned to enhance effectiveness in future. Effectiveness also depends on implementing EU policies in a proportionate manner and taking decisions at the most appropriate level.

The above described principles have established the grounds for a new approach and changes in European Union's policies creation and implementation. In their essence, they reflect the considerable attempt of the EU to apply integrated and holistic approach in governance. Driven by such an intention, and certainly wishing to overcome the existing weaknesses (inconsistency of sectoral policies, short-term prospects in policy designing, inappropriate communication and dialogue, political inaction, to name a few), EU has introduced the two systems: Regulatory Impact Assessment System and Sustainability Impact Assessment System.

REGULATORY IMPACT ASSESSMENT AND SUSTAINABILITY IMPACT ASSESSMENT

Regulatory Impact Assessment System assumes assessment of the impact of political options/proposals/policies/laws in terms of costs, benefits and risks. All sectors and bodies that possess statutory power and make decisions that have impact on the public, should carry out such assessment. This should be integral part of the policy of all governments. Regulatory impact assessment is essential part of the policy making process, as it assesses the impact of each proposed piece of legislation and should establish proper balance between costs and benefits. To achieve this, regulatory impact assessment should consider several options. Good economic analysis assists in the best option selection. Also, public debate should be attributed great importance. It is of vital importance to give possibility to those that will be most affected by the respective proposal to comment the proposed regulation.

The "Inflation Impact Assessments" required by the Carter Administration in the United States from 1978 is generally considered to be the first RIA, followed by the broadened RIA requirement imposed during the Reagan administration, with Benefit-Cost Analysis (BCA) becoming the required methodological approach. In 1985, Australia joined the early adopters of a RIA requirement. By the mid-1990s, 12 OECD countries had implemented RIA requirements of some form, although the scope of the required analysis varied considerably. By 2000, 20 of 28 OECD countries had implemented RIA requirements. Currently, virtually all OECD countries apply RIA. Meantime, the World Bank had also begun to strongly promote the RIA requirements to its client countries. As a result, an increasing number of developing countries have now adopted RIA requirements. In parallel with the increasing number of countries that have adopted the RIA as a requirement, the RIA requirements have also broadened in scope over time.

The role of a RIA is to provide a detailed and systematic appraisal of the potential impacts of each proposed regulation in order to assess whether the regulation is likely to achieve the desired objectives. The need for RIA arises from the fact that regulation is normally related to various impacts that are often difficult to foresee without detailed study and consultation with affected parties. Economic approaches to the issue of regulation also emphasize the high risk that regulatory costs may exceed benefits. From this perspective, the central purpose of RIA is to ensure that regulation will enhance the welfare from the societal viewpoint - that

is, that benefits will exceed costs. RIA is generally conducted by way of comparing different means of achieving the set objective being analysed and the results compared.

The European Commission introduced an impact assessment system in 2002, when it integrated and replaced the previous single-sector type of assessments. Within the scope of the European Commission, Impact Assessment (IA) is a process supporting the development of policies. It identifies and assesses the problem concerned and the objectives sought. It also identifies the main options for achieving the objective and examines their potential impacts in the economic, environmental and social fields. It outlines advantages and disadvantages of each option and examines possible synergies and trade-offs. In 2005 and 2006 the Commission updated its approach to include economic, social and environmental dimensions, thus moving towards Sustainability Impact Assessment. There has also been a 2009 update.

Sustainability Impact Assessment System refers to making sustainability appraisal an integral component of the process of any strategy developing. It can be described as systematic and iterative process undertaken in the phase of the preparation of a policy (plan, strategy, law) which identifies and reports on the extent to which the implementation of that policy would achieve environmental, economic and social objectives by which sustainable development can be defined. The ultimate goal of this undertaking is to improve the performance of the policies. Sustainability assessment is a process enabling policy makers to integrate their decision making on policies, projects, plans, programs, strategies in a way that they will be in harmony with the principles of sustainability. Its main feature is that it applies a proactive approach in order to improve social, economic and environmental outcomes. The added value of this process of assessment is that it achieves greater transparency as social and economic issues need to be identified alongside environmental issues.

The process of sustainability assessment aims to encourage development of policies linked to clear objectives and in this sense it is used to make better strategies by improving policy making, assess and compare alternative policy options, mitigate potential negative impacts of policies and at the same time enhance identified beneficial impacts. The sustainability appraisal is a process applicable throughout the decision making process. Thus, it should not be perceived as an end in itself. Generally speaking, Sustainability Impact Assessment is a tool providing synergy among policies so that they are mutually supportive, instead of opposing and having set conflicting objectives. It contributes to ensure integrated and holistic approach in policy making process, which assumes better coherence among economic, social and environmental policies. Sustainability impact assessment should recognize the best solutions, ascertain compromise among various interests, secure maximum practicable public participation in policy making, offer transparent justification of the reasons for which certain policy has been made in that way, and propose patterns for the given policy monitoring and evaluation. It offers several options, including the “business as usual” option, i.e. what will happen if nothing is undertaken. As such, this assessment should be integral part of policy development process.

CASE STUDY, REPUBLIC OF MACEDONIA

Taking into account that the *Government of the Republic of Macedonia* has established the country development policy, it is of particular importance to consider the possibilities for assessing the basic public policies. As stated above, such assessment can be provided through incorporation of the Regulatory Impact Assessment System and Sustainability Impact Assessment System. Therefore, this research is focused on establishing the status of public policies assessment in the Republic of Macedonia through incorporation of the two said systems.

We are pleased to note that the grounds for operation of both assessment systems concerning the basic public policies have already been established in the Republic of Macedonia in a single integrated process. Both Regulatory Impact Assessment and Sustainability Impact Assessment systems are regulated, inter alia,

in the Rules of Procedure of the Government of the Republic of Macedonia (Official Gazette of the Republic of Macedonia No. 38/01, 98/02, 9/03, 47/03, 64/03 and 67/03), though not under the same name.

Namely, the adoption of the Rules of Procedure is the basic and initial step towards improvement of the system of public policies adoption and implementation. According to this act, the General Secretariat contributes to the coordination of public policies by way of defining the rules, as well as their enforcement, in the governance of decision making process. On its part, public policy coordination, as a process, sets up conditions for specific standardization of the process of decision making within the Government, which can largely contribute to the achievement of coordination within and among different sectors of the state administration. Thus, for example, when submitting materials from Ministers/Ministries and other bodies of the state administration to the Government of the Republic of Macedonia, those are compulsory accompanied by a standardized material package containing the following elaborated elements:

- Considered possible solutions (pro and con arguments) – in this segment, possible options considered are listed, as well as arguments “pro” and “con” each of the options.
- The results of consultations conducted with the relevant ministries, other bodies of the state administration and organizations – in this segment, ministries, non-governmental organizations and interest groups on which the subject proposal will have the greatest impact are listed. Consulted entities should be mentioned in relation to the proposal and their positions or comments of substantial significance that have not been resolved through the process of consultation should be indicated.
- Recommended solution – here, the recommended option is stated, together with the explanation why that option exactly has been selected compared to other alternatives. Also, there should be indication of cost-effectiveness and the reflection that would be made by the proposed option in the public opinion.
- Fiscal implications – with regard to each proposal, application of procedure of its fiscal implication is compulsory. In this segment, expected costs related to recommended proposal, as well as the source of financial resources, should be stated. The proposal has to be approved by the Ministry of Finance.
- Expected impacts – this segment includes summary based on the analysis and results from quantitative explorations, and it contains the impacts from the decision on the public, tax payers, economy, employment, and environment.
- Compliance with the law of the European Union – here, the relevance of the material in terms of compliance of the Republic of Macedonia’s legislation with the European one is stated. In case of a law, it should be mentioned whether the material has been reviewed by the Secretariat of Legislation and their opinion concerning the compliance of the draft with the legislation of the European Union should be presented.
- Evaluation of the material by the Secretariat of Legislation – this segment contains the evaluation of the Secretariat which checks whether the material is compliant with the national legislative framework, i.e. the Constitution, laws and legal system as a whole.
- Key elements for public information – here, messages for public information should be included, to assist the Government in the process of dissemination or explanation of the proposal/conclusion and the reasons for which the Government has taken that conclusion.

Prior to submitting the materials to the Government, they are submitted to the Ministry of Finance with completed Form of fiscal implications of the information. The Ministry of Finance is obliged to deliver their opinion on the material (e.g. Information) and on the form, upon which the body submits the material together with the form and opinion of the Ministry of Finance, to the Government of the Republic of Macedonia.

The General Secretariat is obliged to check whether the submitted material contains all accompanying documents and explanations (standardized material package). In case materials submitted to the Government are incomplete, the General Secretariat is authorized to return them to the proposing entity (e.g. given

Ministry). Additionally, it is checked whether the proposing ministry has carried out the procedure for consultation and requested the opinions of other ministries and external interest groups concerned (stakeholders) on the material submitted, prior to its submission to the General Secretariat. In case such opinions have not been provided, the materials in question are not considered by the working bodies and the Government, except the subject issue does not allow any delay. In latter case, the ministries inform the Government on the reasons for which the opinions have not been collected.

In addition to the above, under the Rules of Procedure of the Government, ministries/bodies of the state administration, while defining the policy, cooperate with each other, reach agreements and notify each other on issues of mutual interest, especially through data delivery, exchange of information and experience, organization of meetings and consultations and other technical gatherings aimed at examination of individual issues related to the development of the draft regulations and building of opinions, particularly in the frames of policies coordination. If these bodies have principal and other major remarks, the bodies drafting and enforcing the regulations are obliged to accept the remarks and issue their own opinion on them.

At present, coordination of policies and settlement of certain disagreements are carried out by the General Board (board of state secretaries), which holds sessions once a week before the sessions of the working bodies and before the sessions of the Government. Also, working bodies of the Government provide cooperation and adjustment of the opinions of ministries and other bodies of the state administration. For example, the main committees (as permanent working bodies of the Government of the Republic of Macedonia), ascertain specific proposals on issues (based on adjusted opinions of ministries, the opinion of the General Board and other bodies of the state administration) for adoption of individual acts and undertaking appropriate measures on issues falling within the scope of Government's competence.

Planning of strategic priorities, as a segment of governance, is the key and substantial competence of the Government and President of the Government. Strategic Framework is the main tool for achievement of coherence among policies. Definition of strategic priorities which is by a rule incorporated in the Annual Work Programme of the Government is political responsibility of the Government. To this end, Decision on the methodology of strategic planning and preparation of the Annual Work Programme of the Government of the Republic of Macedonia was adopted.

Preparation of the Annual Work Programme of the Government is a joint activity of the General Secretariat and Ministry of Finance (in order to take account of the available resources!), while its implementation is a task of the ministries. The role of the General Secretariat in relation to strategic planning is to provide conditions for long-range analysis of the overall economic, political, social and environmental conditions.

In addition to the above, the General Secretariat is obliged to provide adjustment of strategic priorities to other strategic documents of the Government (e.g. Strategy of the Republic of Macedonia for Integration into the European Union), economic and fiscal strategy and other reform strategies. The goal is to achieve that plans of the ministries are in accord with the Annual Work Programme of the Government.

Decision making system on the other side is based on the principle of dual responsibility. Namely, every Minister in the frames of her/his Ministry is obliged to identify the problems, initiate solutions (having in mind the completed consultations with other concerned ministries and NGOs), analysis of impacts from proposed solutions and presentation of solution or offering alternative options as possible solutions of the policy, on which the Government takes a collective decision.

There have been records of cases where ministries have approached directly the process of a law drafting without prior analysis and clarification of the impact of public policies. Inter-sectoral consultations have in some cases taken place upon the elaboration of the draft regulation, where consultations have turned in technicality. There are other cases where comments concerned only technical or nomotechnical aspects.

In order to overcome the above situation, reforms of the General Secretariat focus on the strengthening of the General Secretariat's role in policy analysis and coordination. Namely, on the basis of the Rulebook on the internal organization of the General Secretariat, two (new) departments have been established:

- Department for strategic planning, programming and monitoring, and
- Department for policies analysis and coordination.

The establishment of these two departments will support the process of policies coordination, i.e. making policies that will be mutually supportive, and not contrary or with conflicting goals. In this way, integrated and holistic approach will be ensured in the process of policy making which assumes improved coherence of policies in the areas of economy, social welfare and environment protection, through reaching synergies of solutions among differing interests.

When it comes to public involvement in policy making/laws drafting, under the applicable legislation in the Republic of Macedonia and for the purpose of improving the system of policies adoption, as well as for the purpose of promoting democratic processes, bodies of the state administration ensure public participation by way of dissemination of the type, content and deadline of their adoption, organization of public debates and collection of opinions from interested civil associations, non-governmental organizations and other legal persons.

As far as complex issues are concerned, Ministers request additional support by experts from outside the Ministry (scientific and/or professional institutions, academic and/or university level educational institutions, etc.) or specific inter-ministerial working group. In this context, the position of the public segment directly affected by the given issue is taken into account as well. Issues considered are analyzed from all points of view, with special emphasis on the analysis of analytical data (fiscal, social, environmental, etc.) which underpin the proposals of the ministries. This approach has set the foundations towards ensuring consistence, coherence and good coordination.

Links between policies and communication, i.e. coordination of messages to inform public of the reasons for the adoption of Government's decision, have been recognized as key responsibility. The Government articulates its interest in informing on certain policies in order to fortify the support for and acceptability of its decisions. Information of public and citizens on Government's decisions is exercised through the spokesman of the Government and spokesmen of the ministries, while governance and coordination of the function for public coordination falls under the competence of the General Secretariat, through its public relations department. Thus, a mechanism has been established to ensure that information from ministries is consistent with information from other ministries and Government's spokesman, and synchronized, while public releases are made in appropriate time.

The General Secretariat still lacks sufficient capacity to coordinate Government function for public communication. The Government is often located in its political segment (Office of the President of the Government), i.e. via its spokesman, instead of its administrative segment, i.e. the General Secretariat. Its location or staffing is performed through civil servants or politically appointed persons.

Implementation and monitoring of Government's decisions are basically under the competence of individual ministries. However, decisions are yet not monitored to a full extent with regard to their impacts and effects on society and economy. This is due to equalization of implementation with the very adoption of laws and regulations. The main point here is that the decision is deemed implemented when the law is adopted or when a Minister has implemented the decision of the Government by actual submission of legal acts to the Government. The General Secretariat contributes to the scrutiny over the execution of the tasks of the Government by actual implementation of policies, starting by definition of strategic priorities from within their competence.

The task to maintain the coherence of policy proceeds upon adoption, i.e. upon approval of decisions by the Government, Namely, the Assembly of the Republic of Macedonia adopts the proposed legal drafts which are often amended in the process of adoption. The Assembly, i.e. MPs, are active in rising initiatives for adoption of laws that may be compliant with strategic priorities and policies of the Government, or not. Therefore, there is appropriate coordination of relations with the Assembly.

Ministries are in a process of elaboration of the functional analysis, which should as a methodology reflect their goals and define and identify all functions exercised within their scope. The essence of the

functional analysis is to ascertain whether the functions of the ministries contribute to the achievement of the set goals and to what extent the functions contribute to the achievement of the goals of the Government. This functional analysis has not been fully accomplished in certain ministries.

Considering the fact that Impact Assessment integrates the pillars of sustainable development, the analysis proceeds with organizational and staffing support for sustainable development. The Law on the Government of the Republic of Macedonia (Official Gazette of the Republic of Macedonia No. 59/2000 of 22, July 2000) specifies that the Government establishes the economic and the development policy of the country and adopts measures for its implementation, encourages economic progress and accomplishment of more even spatial and regional development and faster growth of economically underdeveloped areas. The terms *lasting*, *sustainable*, *long-term* are not used, neither are the terms *planning*, *governance* and *strategic*. It is striking that distinction is made between the policy of the state to *economic* and *development*, as if the economic policy has had no development component, and development policy has not concerned economy! In this context, it is interesting to note that although the Government adopts the development policy of the country in accordance with the Law on Organization and Work of the Bodies of the State Administration (Official Gazette of the Republic of Macedonia No. 58/2000 of 21, July 2000), none of the ministries contains the term *development* in its title; this term is contained in the title of (only) one independent body of the state administration, Agency for Development and Investment. Otherwise, several ministries hold competence over the development policy, namely: Ministry of Finance performs the affairs related to the policy for development of the national economy, Ministry of Economy performs the affairs concerning proposal of measures for implementation of development and current economic policy in individual industrial branches, Ministry of Labour and Social Policy performs the affairs related to human population policy for the purpose of balanced economic and social development, while the Ministry of Local Self-Government performs the affairs for implementation of more balanced regional development and encouragement of the development of economically underdeveloped areas. The Law, however, lacks the terms *sustainable*, *lasting*, *long-term*, *equitable*, *integrated*, or *balanced*.

Sustainable development is not a competence of any single ministry, i.e. it is not mentioned in the law. On the other side, the Government of the Republic of Macedonia established a Commission dealing with issues of sustainable development. Yet, the Rules of Procedure of the Government of the Republic of Macedonia makes the same mistake at two points, namely: first time, the Rules of Procedure published in the Official Gazette of the Republic of Macedonia no. 38 of 2001 and second time the Rules of Procedure published in the Official Gazette of the Republic of Macedonia no. 47 of 2003. Nonetheless, let us return to the beginning, to 1999.

The Rules of Procedure of the Government of the Republic of Macedonia (published in the Official Gazette of the Republic of Macedonia no. 44/99 of 16 July 1999), in its Article 30 specifies that the Government has, among others, Committee for Economic System, Sustainable Development and Current Economic Policy, which under Article 32 considers, inter alia, the issues related to “encouragement of sustainable economic development”, “protection of environment and sustainable development”, “living standard” and “level of employment and employment”. So, in a rather comprehensive manner, a Committee considers issues from economic, social and environmental spheres.

On the basis of the Rules of Procedure of the Government of the Republic of Macedonia published in the Official Gazette of the Republic of Macedonia No. 38 of 2001, Article 30, three main Committees were established, these being:

- Committee for Political System
- Committee for Economic System and Current Economic Policy
- Committee for Human Resources and Sustainable Development.

And, there is the mistake! Namely, even though the Committee for Economic System, Sustainable Development and Current Economic Policy does not contain the term *sustainable development* in its title, according to Article 32 of the Rules of Procedure of the Government of the Republic of Macedonia of 2001,

it considers issues concerning: encouragement of sustainable economic development, living standard and employment, as well as regulation of systemic issues in the area of environment protection!

On the other side, even though the title of the other committee – Committee for Human Resources and Sustainable Development – does include that term, according to Article 33 of the Rules of Procedure of 2001, it does not consider issues related specifically to sustainable development or to any of the pillars of sustainable development.

The same mistake occurs again in the Rules of Procedure amending the Rules of Procedure of the Government of the Republic of Macedonia published in the Official Gazette of the Republic of Macedonia no. 47 of 2003, where these illegality and inadequacy in titles were not detected.

The Decree on the principles of internal organization of the bodies of the state administration (Official Gazette of the Republic of Macedonia No. 93/2000 of 10, November 2000), in its Article 2 specifies that: “The principles of internal organization shall ensure:

- legal, professional, efficient and cost-effective performance of activities and tasks
- service orientation to citizens and legal persons
- independence and accountability in official tasks performance
- uniformity of organizational forms
- adaptability in organizational forms to the responsibility of the body and needs of the citizens
- simplicity of hierarchical setup of organizational forms”.

In this context, we should point out that none of the ministries, except the Ministry of Environment and Physical Planning (MEPP) has an organizational unit (Department/Division) for sustainable development.

Assembly of the Republic of Macedonia. The Rules of Procedure of the Assembly of the Republic of Macedonia were enacted by the Assembly of the Republic of Macedonia at its session held on 15 July 2002, on the basis of Articles 61 paragraph 2 and 66 paragraph 4 of the Constitution of the Republic of Macedonia. The Rules of Procedure of the Assembly of the Republic of Macedonia does not contain any of the following words: *development, lasting, long-term, balanced, equitable, governance, strategic, sustainable*. The term *adjustment* is used with reference to positions on legal solutions, adjustment of the Assembly activities, etc., while *planning* is used only for international cooperation.

Standing working bodies are established within the Assembly of the Republic of Macedonia, to review proposals for law adoption, draft laws, law proposals and other general acts enacted by the Assembly, as well as to study and discuss other issues within the scope of its competence.

Chairpersons, deputy chair persons and their alternates are elected from among the MPs in the Assembly.

Chairperson and members of the working body participate in the work of the working bodies, while in case they are prevented to attend the session of the committee, they assign their alternate from among the alternates of the committee members. In the period from 2002 to 2006, as standing working bodies of the Assembly, the following were established:

- Committee for economic affairs
- Committee for transport, communications and ecology
- Committee for labor and social policy
- Committee for finance and budget
- Committee for education, science and sports
- Committee for constitutional affairs
- Committee for legislative and legal affairs
- Committee for political system and relations among communities
- Committee for defense and security
- Committee for foreign policy
- Standing Committee of inquiry for civil freedoms and rights protection

- Committee for supervision over the operations of the Administration for security and intelligence and Agency for intelligence
- Committee for agriculture, forestry and water management
- Committee for culture
- Committee for health
- Committee for issues of elections and appointments
- Committee for procedural and mandate and immunity affairs
- Committee for European affairs
- Committee for relations among communities.

None of the titles of the committees contains the word *development*. The Committee for economic affairs considers issues concerning (inter alia) accelerated development of economically underdeveloped areas. While determining the issues to be considered by the Committee for transport, communications and ecology or Committee for finance and budget, there is no mention of the word *development*. Committee for labour and social policy considers issues concerning development and promotion of social welfare and protection of children, while Committee for education, science and sports considers issues related to scientific and technological development, development of the information system of the Republic of Macedonia, as well as development and promotion of physical culture and development of leading sports.

RESULTS, THEIR INTERPRETATION AND CONCLUSIONS

It is more than clear that “governance” opens new intellectual perspectives. It provides a concept that offers a possibility to us to discuss the role of government in addressing public issues and the contribution that other players may make. It opens our minds to the likelihood that groups in society other than government (e.g. ‘communities’ or the ‘civil sector’) may have to play a stronger role in the search for problem solutions. The central conclusion is that a set of principles for defining good governance rests to a large extent on the Government and national laws. In addition, these principles can be usefully applied to support the efforts aimed at dealing with current governance challenges. Governance issues differ from place to place, and the solutions to governance problems must be tailored on case-by-case basis. Nevertheless, although it is unrealistic to hope for a ‘one size fits all’ solution to governance issues, we definitely may identify priority areas where public policies coordination can advance good governance.

In the case of the Republic of Macedonia, a positive advancement in public policies adjustment is notable, through provision of an extent of coordination of the main policies, standardized way of submitting materials to the Government of the Republic of Macedonia, obligation to involve representatives of different stakeholders in the process of policy making and decision taking in different areas – competencies of ministries. Further on, a mechanism for policy adjustment to strategic priorities, key strategic documents, fiscal strategy, etc., has been established. In this context, it is worth to mention that two departments have been established within the General Secretariat, these being Department for strategic planning programming and monitoring and Department for policy analysis and coordination, which indicates increased level of adjustment among the basic public policies. This in turn inevitably leads to the conclusion that the possibilities for holistic and integrative approach as precondition to achieve sustainable development are enhancing.

The analysis of the manner of functioning of the Government of the Republic of Macedonia, ministries and other bodies of the state administration, the Assembly of the Republic of Macedonia, as well as way of assessment of the basic public policies, has resulted in the conclusions presented here beneath.

According to the applicable legislation, the Government of the Republic of Macedonia establishes the economic and development policy of the country; it is interesting to note that there is a distinction between them; namely, they are mentioned as two distinctive policies, or as the former one was not part of the latter,

and the latter was not part of the former. It is also interesting to note that, even though the Government establishes the development policy, none of the ministries contains the term *development* in the title.

Also, neither the Law on the Government of the Republic of Macedonia, nor the Law on the Organization and Work of the Bodies of the State Administration, contains any of the terms like *permanent, long-term, strategic, integrated, balanced*, etc., in the relevant context. Sustainable development is not specified as competence of any of the ministries.

In the frames of the Government, committees are established to consider issues in different areas. However, a mistake has been detected – under the Rules of Procedure of the Government of the Republic of Macedonia (both the one published in 2001 and the other one published in 2003), a Committee was established with its title containing the term *sustainable development*, but it does not consider issues related to sustainable development! Instead, issues of sustainable development are considered by a committee which does not contain the term *sustainable development* in its title! In this context, it is worth to mention the 1999 Rules of Procedure of the Government of the Republic of Macedonia, where the work of the Committee is formulated adequately, both in terms of title and issues considered.

From among all Ministries, it is only the Ministry of Environment and Physical Planning which has functioning Department for Sustainable Development. Although it is not its responsibility, the Ministry has identified the need to establish specific organizational unit to respond to the challenges in this sphere.

Based on the above, we may conclude that the current manner of functioning of the Government of the Republic of Macedonia contributes largely to the planning, coordination and adjustment of the basic public policies, as prerequisite for development sustainability; exception has been found in the inappropriate formulation and definition of the committees under the Government of the Republic of Macedonia, as well as absence of a person/organizational units in ministries (except in the Ministry of Environment and Physical Planning) to be responsible for sustainability of the development in the sector. Nonetheless, as long as monitoring and implementation of decisions taken by the Government of the Republic of Macedonia are concerned, there is evident lack of adequate mechanisms.

Among the standing bodies of the Assembly of the Republic of Macedonia, committees for economic affairs, ecology, European affairs, labor and social policy, finance and budget, have been established. None of these committees contains the term *development* in their titles, and there is no mention of it in the scope of issues considered by individual committees.

The possible shortcoming of this analysis may be that one can argue that determination of the “weights” of policies is not accurate and straightforward, and the weights used reflect hierarchies and / or priorities according to the opinion of decision makers and may suffer from a high degree of subjectivity. Yet, this is the first attempt to weight the degree at which the public policies in the Republic of Macedonia are managed and leaves the doors opened for further and more detailed explorations.

RECOMENDATIONS

The research conducted indicates that certain corrections in the acts regulating the work of the Government of the Republic of Macedonia are necessary. Namely:

- The Rules of Procedure of the Government of the Republic of Macedonia should be amended – the term ‘sustainable development’ should be added to the title of the Committee for economic system and current economic policy, and the same term should be removed from the title of the Committee for human resources and sustainable development
- The Law on the Government of the Republic of Macedonia should be amended – to specify that the Government is responsible for the development policy of the country (given the fact that development refers to all sectors and key for each of them).

It is not necessary, but it would be appropriate to amend the Law on the Work of the Bodies of the State Administration, and where adequate insert the term ‘development’ in the title of individual ministries (e.g.

Ministry of Economic Development, Ministry of Education and Science Development, etc.). Under the Law on the Work of the Government, the Government establishes the development policy, while none of the ministries contains the term *development* in the title, which may indicate lack of consistence between what the Government is responsible for and what the Ministries are responsible for. With reference to each ministry, it is specified that "it performs the works relating to...", followed by a list of responsibilities. Each ministry is allocated 11 responsibilities at an average (166 responsibilities in total for 15 ministries). Strange but true, only 18 out of the 166 responsibilities include the term *development*. From among those, this term occurs four times with the Ministry of Information Society and three times with the Ministry of Local Self-Government! The above stated poses the need to reformulate the responsibilities of the ministries for the sake of consistence with what is specified as an obligation of the Government of the Republic of Macedonia. To make it clear, the above does not mean that the ministries are not responsible for the development of the sector they cover.

Only the Ministry of Environment and Physical Planning has functioning and staffed specific Department for sustainable development, which is exceptionally positive fact. No other ministry has established organizational units (divisions/departments) of sustainable development or appointed individual persons in charge. It would be advisable to have a person appointed in the ministries to be in charge of scrutiny of the sector sustainability.

Within the ministries, capacity for strategic planning, policies coordination, searching and accepting compromise solutions, etc., should be strengthened. This will enhance the abilities for a comprehensive approach to policies coordination, as inevitable prerequisite to build up and implement the policy for sustainable development.

The research has also identified the need to amend the Rules of Procedure of the Assembly of the Republic of Macedonia so that one of the committees will consider issues in the area of sustainable development. In this regard, two solutions are possible: the Committee for economic affairs to be renamed into Committee for economic affairs and sustainable development (and thus it will correlate with the Committee for economic system, current economic policy and sustainable development of the Government of the Republic of Macedonia) or sustainable development could be added to the Committee for transport communications and ecology (given the vital need for protection of the environment towards ensuring sustainability of development).

In addition to the above, inadequate formulation of the title of one of the committees has been detected in the Rules of Procedure of the Assembly. Namely, it cannot read Committee for transport, communications and ecology! It would be the same as when we have health in mind – to state Committee for medicine! So, the title of the said committee should be modified to read Committee for transport, communications and environment protection.

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