



# INNOVATIONS FOR SUCCESSFUL SOCIETIES

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REPISHTI: I would like to start this interview by asking about your role in the public service reform and about your experience in general. To start with, what is your position, what have you done in the past, and how has this experience helped you?

KADILLI: *I am Fatbardh Kadilli. I have been an adviser to the Prime Minister on anti-corruption policies since 2005 when the government came to power. Before, I worked for about four years, from 2000 to 2004, in a USAID project as a contractor of USAID (United States Agency for International Development) for the program 'Reducing corruption through Civil Society,' which was implemented by the American company Management Systems International (MSI). My position was that of deputy chief of party.*

*Before that, I worked for UNICEF (United Nations Children's Fund), where I was in charge of a program titled 'Integrated Community Services,' which worked on the premise of mobilizing local institutions and citizens to help with children services. I have had other experiences from 1998 to 2005 parallel to the positions I already mentioned as a consultant with the Institute for Contemporary Studies. During 1998-1999 I was dealing with the reform of decentralization due to the fact that I worked in the State Secretariat for Local Governance. There I was in charge of the Refugee Office. Because there was not much work in 1995, Albania had no acute refugee problem, my task was to compile the law on asylum seekers and to prepare emergency plans for the expected influx of Kosovar refugees as a result of the crisis in former Yugoslavia. So having had the time and desire to work on the decentralization reform, I volunteered to work for this reform. I often took on the tasks of the adviser to the Secretary of State on decentralization reform. Before that from 1992 to 1995, I worked in the office of Prime Minister receiving letters from institutions and citizens addressed to the Prime Minister. It was a very good experience, as I learned a great deal about the functioning of the state and its structure. It was possible to separate good institutions from the bad ones and the following of the law or not.*

*During my time either in or close to state institutions, I have had the fortune to witness or even take part in many reforms in the transition from totalitarianism to democracy. Part of such reforms was, of course, the civil service reform. I remember the beginning of the reform in Albania when, in 1994 or the beginning of 1995, the Department for the Public Administration was created. It was a program funded by the European Commission at the time. An Irish company implemented the program. I can't remember the name now, but I am sure I can find it. This started the foundations of the reform. Until then we had inherited a public administration built on the laws of the communist system. The labor codes were not suitable to the building of a new public administration.*

*Often a public servant was seen as another employee in a state-owned enterprise. There were no distinctions. They were subject to the same laws and there were no concepts of career making, the concept of meritocracy was foreign, the word 'CV' (curriculum vitae) was not known. Everything was based on trust. It was a reform that started from something which had to be forgotten, to be totally destroyed. It was difficult to forget, and even today the same philosophy on which the public administration was built is still present, the elements of party trust, the elements of clan connections or acquaintances, the lack of respect for the system. The system today is on paper, but in the past such system was not used. Only the will of a powerful individual or the main guy was law.*

REPISHTI: Can we talk a bit about the greater mission and the context of the reform? What do you think was the main motivation behind the reform especially in the beginning? Which were some of the organizations, you mentioned the European Commission, and some of the individuals involved, say the champions of reform, if we can call them that?

KADILLI: *The biggest motivation for the reform was the need to de-politicize the public administration. The old public administration was built on trust, and this trust was political, all appointments were political, high officials and even low ones, such as the driver who was a party militant. And everyone who used to apply for jobs, I'm sure you can find their applications in the archives of the ministry, would put in their formal job application 'I was persecuted by the Communist regime.' In fact even my application was probably the same.*

*I remember when I first applied for a job; the chief of human resources returned my application saying that I came from a persecuted family and that I should include that fact in the application. I had only written about my education and work experience, which only filled half of a page. I did not have much experience then. But the chief said she knew I had been persecuted and asked me to write it. And I did, which was very stupid. But I am certain this was normal, which is why I was asked to do the same.*

*There was a definite political reasoning, even when they wanted to fire someone, they would come say, get rid of this person, he has served under Communism or he used to be a Communist. So the rapport with politics was the only criterion for career. Of course there was also an appreciation of the young. They would say, these young men know more; the young generation was seen as synonymous with reform in the public administration. The new generation was perceived as more capable of soaking up the new things coming.*

*So everyone agreed that reform was needed, but continued to do things in the old way. Many comical situations come to mind. I remember very clearly the chief of human resources, probably still called chief of cadre at the time (title used under communism), in the case I just mentioned. In 1997 when the power changed, there was a violent transition. I was working in the Ministry of Local Governance when a friend of mine asked me to help a friend of his write his CV. I was helping to write his CV and he tells me to write that he was persecuted by the regime of Sali Berisha (the prime minister between 1992-1997, also actual prime minister). It pained me to think of the time when I had done the same thing, so I told him not to do it, as there will come a time when someone will open his file and look at it and think it was strange. But he insisted that I write that he had been fired from his job for his political convictions during the Berisha government. I was forced to write it and if you look for his file now I am sure it is still there.*

*So even when people had the will to change positively, they were kept hostage by the only logic known at the time. The only method recognized at the time to have a career was to be associated with the party in power. There was a preference for the young, as I said, because they also spoke western languages and, since the aim was to adopt a western model, naturally one had to speak western languages and there were a myriad of western experts—British, American, and the European Union sent a lot of them, mostly Italians. And early on, now I remember, there was a French expert who tried to conceive of a public administration. And maybe it is because of him that the initial paperwork for*

*the creation of a Department for the Public Administration was put together and funds were secured from the European Union to retain a consulting firm to be in charge of the process. This guy was here around 1993-94. This was a champion of reform that you asked about.*

*From the Albanian side, the reform was closely tied to the Prime Minister of the time, Aleksander Meksi, but because he did not go out much in the public, it is probably unlikely to find much about the reform in his speeches. He was the main supporter, however. He recruited an adviser to deal with this, Robert Mani, who only worked for a year and the French guy dealt with it later. Then Meksi made his chief of cabinet, Rustan Petrela, as head of the Department of the Public Administration. Petrela had just come back from an intensive six-month program for young leaders at Georgetown University. He came back in July 1994, and the basic paperwork to create the department was completed in September-October. Petrela was also in charge of working with the winning Irish company of the European Union bid. He put together the staff for the department and worked with the Irish to identify all of the needed functions, and for the first time 'job descriptions' for various positions were put out. They started with the Prime Minister's office. I remember they interviewed all of the workers there about their duties. Until then our work was not guided by a clear, written 'job description' but there existed certain regulations. I remember in the office where I worked we had a rules book that resembled the code of the administrative procedures, but more simplified, summarized, and unclear. The rules book was for all of us, it regulated the whole office. It was, in a way, the legal framework under which our office functioned, but not the assignment of tasks for the office staff.*

REPISHTI: I would like to ask about the incentives for reform. What were the incentives and what were the reforms about?

KADILLI: *During the period before the transition from the leftist majority to the rightist one, it was often said and widely accepted by the public, that the public administration was not efficient. It was overcrowded, and a burden on the state's budget, and not just a fiscal burden. The government or political parties regarded the public administration as a repository where they could place party militants as a reward for their loyalty and work during campaigns. The public administration was regarded more as a place where you got a job, than as a place which needed to function. These were the two most negative aspects of the public administration, one that it was overcrowded, and second, the reward aspect: you came to work not to serve, but to profit.*

*So the first reason for reform was the inept administration we had inherited. The second reason was based on the good examples of efficient public administrations witnessed after the 1980s in the United States and United Kingdom. When the new government took over it immediately proposed to reduce the number of public servants, which happened at a rate of about 40%. The scale of this reduction shows the amount of overcrowding that existed before. Even though there was an average reduction of 35-40% in the public administration. I am referring to the central public administration. The public administration continues to serve the same number of policies and decisions as before. So one can argue, although it is for others to judge, that the public administration is functioning better. So when you dismiss 40% of your staff and still continue to function*

*well without any damage to the service you offer, it means that 40% of your staff were not doing anything. There might be others who do nothing still.*

*A few ministries were consolidated. For instance, the Ministries of Economy and Energy were consolidated with that of Trade. The Ministry for Local governance was eliminated, and the Interior Ministry was created, which included the Ministry for Local Governance, the control of the territories, coordination between other ministries, and inside this the Department for the Public Administration, an agency previously in the Office of the Prime Minister.*

*This agency responsible for reforms in the public sector was placed under the control of the Interior Ministry. There were proposals to include INSTAT (Institute of Statistics) within the Interior Ministry, but due to resistance on the part of donors and international organizations in Albania, it was left under the supervision of the Prime Minister and the Council of Ministers. Other ministries were consolidated, too, and even though they are now big ministries, they have 'delivered' without any problems. A smaller government was a way to fight corruption, reducing not just the number of people, but the number of unnecessary functions that were created only to give people jobs.*

REPISHTI: I would like to know a bit more about the way these reductions in the public administration came about and what were some of the reactions to the changes the government brought about?

KADILLI: *In fact, it is not as if the changes came out of the blue, because the public administration was at the time in a process of reforming itself. This reform was a possibility and opportunity for the political majority because at the time this political majority came to power, a project of the World Bank to support public administration technically and financially had already started. I believe it was called 'Functional Review' or something like that. The idea was to work on preparing the reform as part of an experimental pilot program at four ministries, one of which was the very large Ministry of Public Works, Transport and Communications. The point was to regulate the branches of the Ministry in terms of their functions; the policy part, the executive part and the supportive and regulatory part. This type of reform was underway when we came to power.*

*We also found wide support and had the political conviction that reform was needed. There was a round table discussion where the ideas for reform were presented in January or February. There were also many other discussions in other cities, some of them funded by a foundation, themed 'Better Governance' or something like that. On the basis of the problems with the public administration I already mentioned and due to the reform already started, we proposed cutting the of number of positions in the civil service. We were lucky that at the time the government changed, the 'functional review reform' was in its initial stages. So this made it easier for ministry bosses to organize and manage their staff based on their functions.*

*We don't have a well-consolidated reform. We are talking about a public administration that was created in fewer than 5-6 years, a public administration that was "restocked" with people after 1997; in other words, we dismissed many and hired others. Until then, political preferences dominated. After passing the 1999 law, a two-year probationary period was assigned but since everyone passed this test, it shows that the evaluation*

*was to a certain point political, very political. But after 2001, we can say that there were no more traumas in the public administration and there was a period when it started to stabilize, which is why I gave the 5-6 years time of a consolidation for the public administration we found in 2005. I can't give any numbers as to how many people left and how many stayed which I'm sure you can find at the Commission for the Public Service.*

*No matter how stable, however, public administrations are live, organic organisms that need partial restructuring. We are still in a moment of reform. So the dismissals were not as dramatic as they could have been in a calm situation. It was not simply firing people. It was rather a restructuring of the entire system. There was, of course, much resistance, many individuals who left have complained within the rights afforded to them by the law.*

*For me it is a 'guarantor law.' I am personally against the law. This is a very personal opinion. The law guarantees too much, and if it were to be followed to the letter, it would create, I think, an atrophied administration without the flexibility that a public administration should have. It would create a public administration that would age very quickly and the policy of guaranteeing a job for life would cement the civil servants in their institutions and make it impossible for the educated youth, be it here or in the West, to penetrate the public administration if the law were obeyed 100%. Fortunately for us, deviations in obeying the law are increasingly limited and if such deviations were initially 100% politically motivated, they are now much less political than before. I hope that if political transition happens again, the political influence will become less and less. So there is a decline in the cases when there deviations from the law inspired by politics. And there is an increase in the cases when the deviations happen due to a supervisor wants to hire a person with desired skills and capabilities. Increasingly, people that assume the responsibilities of being minister or something similar understand that, in order to be successful, they need good, professional staff. However, the law in its current form, is not a good law, in my opinion. It guarantees too much, and moreover we have a problem in our system of evaluation in the public administration that does not work, so we don't have a well-balanced system.*

*The system lacks balance, there are only guarantees for the individual employed, but there are no effective instruments to protect the people who have the political responsibility for winning votes. The public servant does not win votes. The minister wins votes. And if the minister remains limited to the staff he finds, it is impossible for him to work. Let's be clear. I am not advocating for the destruction of the system. We either have to give the tools to the system so it can find its balance, the proposed evaluation process does not work, or we should find something else to create another balancing space. Take for instance this friend of mine who is a director of urban policy. If I, as a minister, disagreed with his policies, I still would be voted for or against based on that record in urban policies. Or in another scenario, if I were the Minister of Energy, but the director of policy does not agree with my ideas and policies, it might mean that that person is a barrier to my work, or will not do his work wholeheartedly. If I were the voted minister, I could fall in the technical trap of someone who does not like my policies. Of course the minister gives orders, but I am talking about the policy offices, the people who make policy, not about the supportive or legal offices, as they can't affect much change. There is no need to change people there, but there is no space given to political appointees, for those voted into office, the law has created no space. I feel that the first*

*day a Minister comes to his office, he brings with him at maximum two advisers and a secretary, and it means that only through his two advisers can the minister transmit his political inspiration and even his political ideology.*

*I don't agree with the idea spread in the last eight years during the socialist governance that governance is a technical matter. Governance is absolutely politically inspired. There are politics that follow mostly what is defined as 'leftist' and what is defined as 'rightist.' Tomorrow there could be another political version that inspires reform. The reforms cannot be recipes. Governance is not an exact science. It is not mathematics.*

REPISHTI: What are some of the tendencies for the reform in the public administration that exist now, but which you think might change in the future?

KADILLI: *What do you mean by 'tendencies,' so I can be clearer?*

REPISHTI: Are there debates to change the law or other changes that might happen?

KADILLI: *At the moment there are none. Much of the debate has been about protecting the public administration. In a way, the moral right of guaranteeing protection of the public administration has prevailed. No one would dare to open this debate and no one would dare to voice these two or three opinions of mine publicly. As an adviser it is easier to say things, but from the position of someone who is elected, or is in parliament, or a ministry and government, you might have other positions. The finalization of the reform is not done yet, but we are near and in a few years it will have been the best thing that happened in this administration.*

*The reforms of this government, still in their initial phases, are about limiting the functions of the public administration: reducing the state in terms of functions, the number of licenses, the number of permissions that the state requires, limiting the central administration, reducing and simplifying the remaining procedures. I can give you a number: the number of licenses issued by the central institutions has been reduced from about 200 in 2005 to less than a 100 now. We are moving towards a model of 'one-stop shop' where all licenses are issued, so that we can simplify state services for citizens. This is part of a larger modernizing process that aims to make the public administration as efficient and transparent as possible. We have installed systems such as electronic procurement, registration in one place for new businesses, declaring taxes online. So there are some reforms that use new technology to make the public administration efficient. Naturally these reforms cut down the number of people needed, but those who will work won't drown in paper piles.*

REPISHTI: You mentioned other reforms, such as anti-corruption measures that have happened simultaneously with the reforms in public administration. What has the impact of such reforms been?

KADILLI: *The reform of the public administration is much more concrete than the anti-corruption reforms. The former is about structuring the institutions; touches on many people, so it is very visible and the end result can be measured. Whereas the anti-corruption reform is somewhat elusive it is more of a game of fighting perceptions. The reform of the public service is based on facts; anti-corruption is based on beliefs. Whether you trust an administration or not, how inspired you come to work, what constitutes your drive: public*

*interest or personal profit—this is what makes the anti-corruption reform elusive. But, of course, even here there are indicators that are measurable.*

*The most important thing that has happened recently, and this is not only due to the efforts of this government but also due to a societal perception that has recently changed, is the fact that the belief that your political and administrative career is dependent on how you deal with corruption, has gained ground. A corrupted person is someone who is no longer tolerated, let alone to win votes or to become successful, as has been the case before. Some of the laws passed are vigorously applied, as is the case with measures to prevent conflict of interests and the laws for disclosing wealth and assets. The freeing of the public administration from conflicts of interests is now a fact. And the administration is now more serious about lowering operating costs—there is a decrease of 1/3 in operating costs; they used to be 3% of our GDP and they are now at 2.1%. For instance, a simple rule—no individual is allowed to participate in more than one oversight committee. This has ended a shameful practice where there have been known cases of high functionaries participating in 14 and 19 committees. It means that these people had absolutely no time to do their jobs due to all these other positions.*

*But the most important reform, in my opinion, has been the reform in the education system. The establishment of the state maturity exams (end of high school final exams); the system of merit-preference now ensures that a terribly ugly practice of enrollment in state universities by payment has come to an end. If you think of it in terms of costs this was perhaps low-level corruption, but with grave consequences, as the first experience of a young adult vis-à-vis the state was a corruptive one. The first thing 18 year-old would have learned is that you achieve things by paying. Today there are no more cases of such abuses, at least none that have been reported.*

*Another reform worth mentioning is electronic procurement. There exists what is called a “Registry of Procurement” that is published at the beginning of the year on the Internet and updated monthly. The registry can be updated often and companies can download the information from the net. This has reduced by 1/3 the number of complaints we used to receive about public tenders. This is what used to happen: interested companies would go to institutions in the periphery, villages, cities, and would ask for the paperwork only to be refused or be told to come later, etc. This can be avoided now due to the Internet. The availability of the paperwork on the Internet also minimizes the possibility that businesses could collude into offering low prices etc. Now, because it is impossible to know which firms have expressed interest, it is hard for companies to negotiate or collude. Also the cost of procurement has been reduced by about 10-15%. Costs have been also cut by declaring taxes online. These examples show the overlapping reforms that all aim to make our public administration more efficient.*

REPISHTI: I would like to move on to another topic, regarding the recruitment and promotion of civil servants. At the time when reforms were carried out, was it in order to reduce politicization and political influences within the public administration?

KADILLI: *Our system of recruitment is very clear; there are rules, criteria how an individual is recruited, the test, the mandatory time he has to pass from one level to the next in terms of promotion. The application of these rules without doubt has happened with certain deviations that I mentioned before, used to be all about political influence. This has*



*gradually changed as I already said. But I want to add that there are increasing cases that are conditioned by the unclear job market in Albania, because the term "expert" is pervasive, even though confirmed experts that have gone through educational and training filters don't really exist in Albania, and we don't have a proven process to classify the professional value of the individual. Thus when you want to hire and have two candidates with university diplomas, but you know very well who is competent and who is not, your evaluation will be subjective. Let's say that a boss, using goodwill, hires the best lawyer, and to do this he ignored certain criteria such as years of experience etc. The problem is that the Albanian reality is as such that competent people compete equally with the incompetent. I, for instance, would prefer to hire someone who has graduated from a university abroad rather than someone who finished the Enver Hoxha University in Tirana. A lawyer who graduated in Albania prior to 1990, I will not refer to by name, as the only law they learned then was the law of the cooperatives, not human rights, or trade law, etc. But such persons are now entrenched in the public administration and I cannot get rid of them because the system is a guarantor and recognizes their education.*

*Today, heads of institutions don't simply use political preferences. They are motivated more by political objectives. They want success because they are measured by their success. They don't get evaluated by whether they hired socialists or democrats, but they are measured by how they served as ministers of education or health or defense. Their evaluation is not done by how militant they are. The more the political inspiration withers away, the less threatened is the public administration. When you are reforming you need people with energy and clear vision, not people that have to be here because they have spent the past ten years here.*

REPISHTI: What have been the reasons for the lowering of the political interference in decision-making, and why is there more of a sense of a cult of the individual? What can be done to lessen this influence in order to protect the public administration?

KADILLI: *The public administration was protected to a certain extent by the law, the moral intent of the law even more so than the law itself. Because even though the law exists, often the law is bypassed. But bypassing the law creates political costs. Politicians measure everything by the cost they incur. If the cost is too big, they will naturally tend to change direction. This was one reason.*

*The other reason had to do with the fact that people understood that the system changed, so the pressure to be employed in the public administration was eased. Because people understood that this was not the same as the old system, where being part of the state was everything. They understand that the private sector is a better space for self-expression and to become successful.*

*People also left the public administration during the transition period, especially after the violent transition of 1997. There were people who did not want to work with those who came in 1997, same as in 2005. The private sector was more appealing, as it also pays much better, so in the public administration there are now people, as I understand, who have become comfortable with this place and find it difficult to cut it in the real world. There is also another group, the group of people who want to enter the public administration because they really are inspired. There is optimism, perhaps naiveté, and*

*maybe genuine idealism, to serve in the public interest. Whereas the group that does not want to leave, stays here and accepts whatever. It assumes the shape of the dish.*

REPISHTI: And now a last question. First, you mentioned the importance of attracting young people who are educated abroad, recruiting new talent. What are some of options being considered, or already implemented, to attract such people to the public administration?

KADILLI: *The government has created some interesting policies on this topic; it has created a supplementary reward system for those who have Western diplomas. For those who have PhDs there is an additional reward that often is as high as 30% of their salaries. It is an incentive for people, for talented people. There is also another project which is funded by the United Nations Development Program called 'brain gain,' which even though it might not be successful, illustrates the favorable climate that this government has put in place to encourage the return of talented people.*

*Because the transition is about moving from the system we had to a new system, the same system the people educated in the Western world know about much better than those who have read about it. These people who have lived in liberalized economies will be much better at leading our public services, and when these practices become part of life in Albania things will be normal here. And the legal framework upon which our public administration is built will serve much better. I am not advocating for the law's destruction, I only wish we could find a balance in our current system, that which is not being done through the system of performance evaluation.*

*There exists another problem here that people don't talk about, which is that human capabilities in Albania are limited not only in terms of individuals educated in the West, but in the management culture, too. The concept of a manager does not exist in Albania, not only in the public sector, but in the private sector, too. The class of managers does not exist yet in Albania. Even the biggest businesses in Albania, the ones with tens and hundreds of millions, are run as 'one man shows.' This happens because a good school of managers has not been created. There is no tradition of management. Performance evaluation does not happen because we are a small country where everyone knows everyone and we don't want to make enemies, but also because the person who is measuring performance has to know how to assign tasks and then evaluate their completion. In other words the bosses do not even know how to assign tasks, in many ways assigning tasks is even worse than completing them.*

*Perhaps, with time, when our economy is more developed and with the growth of finances and tasks the creation of the managerial experience will occur, but as long as we don't have this model, it is debatable whether the system we have built in our public administration can succeed. Because it is a system that surely needs a leader even for a small office, a competent person able to plan, delegate and assign tasks, and at the end of the year be able to evaluate how those tasks were completed. But when he is not even able to assign tasks, there is not much he can evaluate in the end and once again the system of evaluation remains entirely subjective. The system is very good, with reason, rational, but it is still an imported good in the Albanian terrain; however it is at least a guarantee for a model, so it is a system which is based on the modern bureaucracy model, not on the model of patronage.*

REPISHTI: A last question, a wider one, about the relationship of the government with donors, especially in the domain of public service reform. How have these relations been and how do you see them?

KADILLI: *In terms of the rapport between the government and the donors?*

REPISHTI: Yes. Have they played a positive role?

KADILLI: *Of course it is positive, because the cooperation in general has been positive. I don't know about other cases with former Communist countries, but in the case of Albania the rapport has been very good. There has been willingness on the part of Albanian governments and Albanian politics to embrace western models, even when such models had spoiled the political comfort, or the political dominance from both the left and the right. A concrete example concerns the public administration, which has been built by a law that guarantees the job of the civil servant. This has certainly ruined the political comfort. But politicians accepted this even before it was carried out. Because Albanians have been open and welcomed the Western model, the cooperation between the government and foreign donors has been relatively successful.*

*Westerners have had it easy in Albania, the World Bank did not need to impose, but to propose and to internalize into the Albanian system the various adjustments needed in order to create a western model (of governance) here. This is why their help has been effective. There have been difficulties of a different nature, as due to our isolation (during communism) our human resources were not always capable to absorb the help given, both in technical and financial terms. Our human resources were limited in their abilities to design projects. However, our politicians proposed the western way, and so no one dared to debate, destroy the proposed western models especially when the people themselves were pro-western. This has served as a guarantee for the investment carried out by international donor organizations. There has been a great level of goodwill on the part of everyone.*

REPISHTI: Thank you very much for the interview.

KADILLI: *I thank you too for the questions. I hope I have given interesting and informative answers.*

REPISHTI: Of course.