



Accountability, Anticorruption and Transparency Policies in Public Owned Enterprises (POEs)

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**Regulation and intervention policies to
prevent corruption and promote
transparency of POE-s. Albania case**



**Nevila Mehmetaj, Ph.D. in Economics,
Albania**

Webinar

Focus on

- Internalising effective corruption prevention mechanisms
- Adapting the management of Publicly-owned enterprises-POEs
- ***Measuring and understanding the state of implementation of different anti-corruption and compliance measures in POEs*** in several European, or even extra-European countries.

Outlines

- Institutions Definitions
- History of POEs in Albania
- Intervention Policies against Corruption in Albania

Institutions

- The word institution is derived from the Latin 'instituo' has a political and legal meaning.
- ... but often it also has other meanings, especially religious, economic, sociological, philosophical or academic

Institutions

Formal institutions :

- *Economic institutions* determine the rules governing decision-making interactions in the economic field.
- *Political institutions* define these rules in the political field, which allow making political decisions and in which the leading persons take the decision-making power through electoral contests.
- A *Public institution* is a legal entity that has its own activity financed by public funds and controlled by the state.

Institutions

- "Public institutions have an extremely high value for a nation. If they are used appropriately for policy making, implementation and administration, then public institutions will be just as important for national development and perspective as natural economic resources. The problem is how accurately these institutions are built in order for the administrative and managerial perspectives to function as effectively as possible" ([Dwight Waldo](#)).

Institutions

- The state's *financial policy* represents the totality of methods and actions taken by a government and its institutions to determine, collect and use as rationally as possible the resources needed to complete its programs over a period of time.

History of Public Institutions in Albania

- Historically, the distinction between different epochs or periods implies a great and fundamental change in the system of institutions that govern the country.
- Political and military events are considered historically significant if they are accompanied by changes in institutions.

History of Public Institutions in Albania 1945-1990

- Albania has strictly implemented the Soviet model of industrialization and the planned economy and the Party-State model in running the country.
- the *Albanian economic model was characterized by the elimination of all forms of private property* through full nationalization of industry, wholesale and retail trade and extreme collectivization of agriculture (Angjeli, 2013).

History of Public Institutions in Albania

- Albania has become the most backward and poorest country in Europe, a direct result of 50 years of mismanagement of capital, monetary and human resources.
- With the overthrow of the communist dictatorship after the 1990s, the country returned to pluralist democracy and a market economy (Biberaj, 2011).

History of Public Institutions in Albania after 1990-s

- In the first years of the transition, but also in the future, the state in Albania was characterized by weak institutions and the use of administration by the ruling party. The new post-communist governments would face some difficulties (Zotaj, 2014)

History of Public Institutions in Albania after 1990-s

The new post-communist governments would face some difficulties (Zotaj, 2014):

- *Lack of expertise and experience*
- *Politicized public administration.*
- *Serious financial problems.*

"The continuing weakness of the state has created a favorable environment for cultivating the mentality of abuse of power (Bogdani & Loughlin, 2004)."

History of Public Institutions in Albania after 1990-s

The main parties were guided by methods of eradicating their dissents and divisive policies.

- Monopolization of power (party and executive institution)
- Desire for enrichment

History of Public Institutions in Albania after 1990-s

Almost throughout the 30-year period of party pluralism, the administration and state institutions have suffered the continuation of the party-state model.

- *Movements in public administration.*
- *The arbitrariness of dismissal of professional public staff.*

Political management and leadership continues to reflect the communist legacy of the state's seizure of power by the ruling parties during the last three decades.

Table I. Employed in Public Sector 2017-2019

Description	2017	2018	2019
Employed in public sector	164,480	172,870	174,388
Employed in public sector in %	15.01%	15.19%	15.20%

Source of information: Payroll data of the General Directorate of Taxation.

Table 2. Employed in Public Sector in Public Sector by main occupation groups, 2015-2019

Main Occupation Groups	2015	2016	2017	2018	2019
Employed in public sector	164,020	164,635	164,339	169,865	172,745
Legislators, senior officials and managers	6.9%	7.3%	7.4%	7.7%	8.0%
Professionals	42.1%	43.7%	43.9%	43.8%	44.0%
Technicians and associate professionals	24.1%	22.7%	22.2%	21.2%	20.4%
Clerks	7.3%	7.4%	7.5%	8.0%	8.2%
Workers	19.6%	18.9%	19.0%	19.4%	19.3%

Source of information: Payroll data of the General Directorate of Taxation.

Political Reforms on Corruption Prevention after 2007

- Adoption of the New Cross-cutting Strategy for the Prevention and Fight against Corruption and for Transparent Governance 2008-2013
- It aims to continuously and consistently reduce corruption, increasing the integrity of institutions and promoting good governance and transparency.

Political Reforms on Corruption Prevention after 2007

The strategy also represents a Government response

- GRECO Compliance Ratio for Albania,
- Furthermore, it represents a tool for the implementation of the Stabilization and Association Agreement (SAA) and the European Partnership for Albania.

Political Reforms on Corruption Prevention after 2007

- Implementation of anti-corruption policies and strategies (Anti-Corruption Strategy and Action Plan 2007-2013);
- Drafting / providing expert opinions and technical support for anti-corruption legislation, in accordance with international standards;
- Promoting and involving civil society in monitoring and implementing anti-corruption initiatives;
- Increasing the capacity of anti-corruption and law enforcement agencies

Political Reforms on Corruption Prevention after 2007

- Contributing to the prevention of corruption in the education sector by improving transparency, accountability and social participation in the education system;
- Carrying out risk analysis and raising awareness about the possibilities of corruption in the education system;
- Providing mechanisms to increase integrity and resolve conflicts of interest regarding staff administration in the education system;
- Development of anti-corruption educational modules for primary and secondary schools

Political Reforms on Corruption Prevention after 2019

One of the five conditions of Brussels for Albania' advancement on the path to European Union integration is “a professional and independent administration”.

Two policies reforms were undertaken:

- Testing
- Decriminalisation

Political Reforms on Corruption Prevention 2019

During 2019, public administration other reforms focused on six specific areas.

1. to the new salary system in the civil service
2. to evaluating the results of the work of civil servants
3. to classifying positions and describing work, to work processes

Political Reforms on Corruption Prevention 2019

4. in strengthening the capacities of the Albanian School of Public Administration (ASPA) as the only central institution for training and developing the capacity of human resources of public administration
5. unifying the procedures in the public administration and improving the performance of public servants.
6. monitoring the implementation of the legislation on civil servants and coherent standards for the entire public administration.



thank you for you attention,

questions, comments, suggestions!