THE ROLE OF INTERNATIONAL AID IN PUBLIC SERVICE REFORM AND CAPACITY BUILDING:
THE CASE OF POST-COMMUNIST ALBANIA

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Artan Karini

School of Environment and Development
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<th>Description</th>
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<tbody>
<tr>
<td>AAA</td>
<td>Accra Agenda for Action</td>
</tr>
<tr>
<td>ADA</td>
<td>Austrian Development Agency</td>
</tr>
<tr>
<td>ANTTARC</td>
<td>Albanian National Training and Technical Assistance Resource Centre</td>
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<tr>
<td>BWI(s)</td>
<td>Bretton Woods Institution(s)</td>
</tr>
<tr>
<td>CARDs</td>
<td>Community Assistance for Reconstruction Development and Stabilisation</td>
</tr>
<tr>
<td>CFU(s)</td>
<td>Central Financial Contracting Units</td>
</tr>
<tr>
<td>CoE</td>
<td>Council of Europe</td>
</tr>
<tr>
<td>CSC</td>
<td>Civil Service Commission</td>
</tr>
<tr>
<td>CSL</td>
<td>Civil Service Law</td>
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<tr>
<td>CTF</td>
<td>Consultative Task Force</td>
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<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
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<tr>
<td>DEI(s)</td>
<td>Directorate(s) of European Integration</td>
</tr>
<tr>
<td>DG</td>
<td>Directorate General (for EU Enlargement)</td>
</tr>
<tr>
<td>DP</td>
<td>(Albanian) Democratic Party</td>
</tr>
<tr>
<td>DoPA</td>
<td>Department of Public Administration</td>
</tr>
<tr>
<td>DSDC</td>
<td>Department for Strategy and Donor Coordination</td>
</tr>
<tr>
<td>DTS</td>
<td>Donor Technical Secretariat</td>
</tr>
<tr>
<td>EAMIS</td>
<td>External Assistance Management Information System</td>
</tr>
<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>EIPA</td>
<td>European Institute of Public Administration</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>EUD</td>
<td>European Union Delegation (Albania)</td>
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<tr>
<td>FoA</td>
<td>Friends of Albania</td>
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<tr>
<td>FG(s)</td>
<td>Focus Group(s)</td>
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<tr>
<td>FTI-DoL</td>
<td>Fast-Track Initiative for Division of Labour (OECD DAC)</td>
</tr>
<tr>
<td>FYROM</td>
<td>Former Yugoslav Republic of Macedonia</td>
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<tr>
<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit/German Agency for International Cooperation</td>
</tr>
<tr>
<td>GPRS</td>
<td>Growth and Poverty Reduction Strategy</td>
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<tr>
<td>GTS</td>
<td>Government Technical Secretariat</td>
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<tr>
<td>HAP</td>
<td>Harmonization Action Plan</td>
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<tr>
<td>HRM</td>
<td>Human Resources Management</td>
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<tr>
<td>HRMIS</td>
<td>Human Resources Management Information System</td>
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<tr>
<td>HRD</td>
<td>Human Resources Development</td>
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<tr>
<td>INSTAT</td>
<td>(Albanian) National Institute of Statistics</td>
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<tr>
<td>IDA</td>
<td>International Development Association (World Bank)</td>
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<td>IDRA</td>
<td>Institute for Development Research and Alternatives</td>
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<tr>
<td>IPA</td>
<td>Instruments of Pre-Accession (Programme)</td>
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<td>IPS</td>
<td>Integrated Planning System</td>
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<tr>
<td>IPSIS</td>
<td>IPS Information System</td>
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<tr>
<td>ISB/ISC</td>
<td>Instituti për Studime Bashkëkohore/Institute for Contemporary Studies</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>MDG(s)</td>
<td>Millennium Development Goal(s)</td>
</tr>
<tr>
<td>MDTF</td>
<td>Multi-Donor Trust Fund</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MIP(s)</td>
<td>Ministry Integrated Plan(s)</td>
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<tr>
<td>MoEI</td>
<td>Ministry of European Integration</td>
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The role of international aid in public service reform and capacity building: the case of post-communist Albania

Abstract

This research study investigates the role of international aid in public service reform and capacity building in the context of post-communist Albania. It takes a two-pronged approach towards exploring the interaction between the key research variables. First, challenging the technocratic, results-based management frameworks used by aid organizations, it offers a qualitative and critical assessment of the role of aid in a specific arena, administrative reform and capacity building, given its significance as key to (and conditionality for) the EU accession process. Secondly, the research points to the specificity of the national politico-administrative context and its ability to modify the process of policy transfer from aid organizations to the Albanian bureaucracy. In doing so, it attempts to illustrate the domestic challenges in the transfer process towards policy learning thus making a contribution to the debate over the (voluntary vs. coercive) administrative reform in Southeast Europe in relation to the politics of EU accession.

Therefore, the findings of the study are two-fold. First, based on the multi-level analysis of policy transfer, the research provides an account of (aid-supported) policies/programmes and institutions/mechanisms of transfer towards administrative reform and capacity building. Thus, the analysis reveals the conflicting nature of international aid via the dichotomy between the ‘career’ versus ‘managerialist’ approaches promoted respectively by the EU and the WB as the drivers of administrative reform in post-communist Albania. The study maintains that aid towards administrative reform and capacity building has been confined to regulatory frameworks while its impact on the capacities of the public sector HRM functions has been rather limited. Besides, it claims that programmes and mechanisms of transfer have supported alignment with EU standards and compliance with global aid effectiveness agenda towards a broader public sector reform. The study concludes that while administrative reform and capacity building are conditionality for EU accession, the significantly reduced funding combined with the use of alternative policy incentives (signing into SAA in 2006 and admission into the Schengen agreement in 2010) might be taken to indicate a silent abandonment of administrative reform as a national matter. The findings suggest that this has indeed led to a complacent relationship between the EU and Albania, which may jeopardize the country’s chances of accession into the EU.

The study also challenges the views of the literature locating Albania among countries which have adopted the hybrid NWS, drawing on both NPM and Weberian reform doctrines. Accounts of an adversarial and polarized political culture in which political patronage and high staff turnover persist, coupled with a hierarchy-/clan-based administrative culture may explain the ability of the national context not only to modify but also to block policy transfer. The findings imply that the Albanian case provides a ‘classic’ example whereby transfer based on reform doctrines has been used by governing elites to solidify their political position. While the above may explain non-transfer towards policy learning, the role of aid is also reduced by other factors including overreliance on NGOs as ‘implementation partners’, ‘mixed feedback’ to bureaucrats and ‘strong’ informal donor-beneficiary-contractor networks characterized by a certain ability to affect donor behaviour.

Key words: international aid, administrative reform, capacity building, EU accession, Albania
Declaration

I, Artan Karini, hereby declare that no portion of the work referred to in this dissertation has been submitted in support to an application for another degree or qualification at The University of Manchester or any other university or institution of learning.
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Acknowledgement

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This research study would have not been possible without the active cooperation of the research participants in Albania, including senior development officers at the European Commission Delegation (Tirana), Austrian Development Agency, U.S. Agency for International Development, etc.; the Albanian civil servants from the Department of Public Administration (DoPA), Department of Strategy and Donor Coordination (DSDC), the Donor Technical Secretariat (DTS) and the Albanian Institute of Statistics (INSTAT) as well as several capacity-building experts from the Albanian civil society. Irrespective of their busy schedules and commitments, not only did they provide their time and reliable data and information but most importantly, they demonstrated patience and gracious manners while dealing with a relatively demanding researcher like myself. A thank-you note also goes to the Office of OSCE Secretariat in Prague, which hosted me as a Researcher-in-Residence in summer 2010 thus allowing me to access their archival materials and providing support, which significantly contributed to my research findings.

Many thanks also go to my family in Albania as well as to friends all over the world as, without their moral and emotional support, I would have not been able to pursue my educational, career and life goals all the way from Shkoder, the beautiful Albanian town where I was born all the way to the University of Manchester.
Dedication

For Greisa, Ertu and Orind
Chapter 1. INTRODUCTION

1.1 Overview

This thesis looks at the nexus of two conventionally distinct areas of study, ‘international aid’ and ‘administrative reform and capacity building’ in Albania, a middle-income country located in Southeast Europe (SEE) and a ‘potential EU candidate’ since 2003. In essence, it intends to challenge and add value to both the technocratic accounts of the EU/OECD and Government of Albania (GoA) on the progress of public administration reform and theoretical accounts of the literature, which recently attempt to locate Albania among post-communist countries adopting the hybrid New Weberian State (NWS) model, drawing on both NPM and Weberianism (Archmann 2009, Peters 2010, Pollitt and Bouckaert 2011).

Chapter One (Introduction) provides a comprehensive background to the research study, which is motivated by both a gap in the literature in terms of the interaction between aid policy and public service reform as well as observations from the researcher’s professional experiences as a development practitioner in post-communist Albania. Through an in-depth literature review reflecting definitions and theoretical views on the key concepts of the study, its purpose is threefold. First, it explains the problem the research study seeks to address – a key motivating factor for undertaking the research. The problem statement leads up to the formulation of the main research aim, purpose and objectives and forms the basis of the central research question and specific questions. Secondly, it elaborates on the gaps in the literature thus arguing for the significance of the research and its contribution to knowledge. Thirdly, by providing definitions of the concepts applicable to the research, it examines such concepts from a theoretical perspective thus focusing on the intersection between them and the country to which they apply.

In addition to the literature review, which has informed the theoretical orientation and framework of this research leading to the identification of the variables constituting the conceptual framework of the study (Chapters Two and Three) and an account of the socio-political developments related to administrative reform in post-communist Albania (Chapter Five), this chapter introduces the reader to the research strategy and design.

1 In this thesis, the term, ‘administrative reform’ is used interchangeably to refer to both reform of ‘public’ and ‘civil’ service. While ‘civil service’ typically represents public employees at central level, ‘public service’ includes employees at central and local levels (where ‘civil service’ is a subset), the term ‘public sector’ includes all ‘public service’ employees plus those of state-owned enterprises. (Minogue 2001, McCourt 2011)
Operational and procedural aspects associated with the research methodology and methods conceptualized during the formative stage of the research proposal and adopted through the fieldwork will be detailed in the appropriate part the thesis (Chapter Four).

Lastly, in this chapter, a chapter-by-chapter account the organization of the thesis summarizing the content of each chapter is presented, which introduces the reader to overall structure of the study.

1.2 Research Background and Context

In a broader context, the research seeks to critically assess the role of international aid organisations (donors) in strengthening the capacities of the public service as there is a gap in available literature on the politics of reform and the socio-economic dimensions of development through a case study of Albania, a country located in the SEE, otherwise referred to as the Western Balkans.

The development management literature argues that while some pressure for reform in less developed countries comes from their governments, much of it comes from international donor organizations that want to impose their concept of ‘good governance’ (Peters 2001). Thus, donors have tended to locate the main governance challenges at the levels of politics and institutions rather than organizations and have looked to political scientists rather than development management specialists to address them (Dahl-Østergaard et al 2008, Manning 2008, McCourt 2011). The truth remains that international aid as reflected in the policies of “Western” governments and their development agencies representing them (that is, ‘donors”) has focused on economic and political dimensions of development, whereby institutional reform is often a conditionality for aid provision.

In the context of post-communist states of Central and Eastern Europe (CEE), international (aid) organizations have substantially intervened in their transition processes but after years of assistance, a key observation made is that, alongside positive effects, those interventions have also had negative and unintended impacts on those processes (Zellner 2008). In the specific case of SEE, aid has focused on the politico-economic stabilization of the region and membership of international organizations amidst warnings that it may have led to path dependency and created deterministic assumptions often reflected in resistance on the part of institutions benefiting from aid (Denzau and North
1994; Pierson 2000, 2004; Stubbs 2005). Besides, accession into the European Union (EU) and requirements associated with the process have driven the aid agenda of most donors operating in the region (Verheijen 2003; Hoffmann 2005, Dimitrova 2005).

Taking Albania, as an illustrative case of a country which, after a difficult transition to democracy and capitalism after the collapse of communism in 1991, is currently recognized by the EU as a ‘potential candidate country’, this thesis seeks to shed light upon the challenges that aid organizations (particularly the EU) face in promoting development in the country during the post-communist era (Hoffmann 2005). However, to discuss all aid-supported reforms and capacity-building interventions in the public and non-profit sectors in post-communist Albania in a single doctoral thesis would be overly ambitiously and unrealistic. Nor does this thesis make any claims about the role/impact of aid on the overall democratization of the country in the years following the collapse of communism. The rationale for the choice of the ‘administrative reform’ component of the international aid is based on both its significance in terms of political processes (such as EU accession) as well as its implications for the quality of public services (WB 2008). However, it must be stressed that the latter is an objective of reform rather than of this research thesis. Capacity building is instrumental not only to the administrative reform agenda but closely linked to the politics of EU accession. Therefore, the study is also intended to make a contribution to the current debate over the internally vs. externally motivated nature of reform of a country and what can be learned from it that can apply to regional/global levels.

Only a small portion of the reports by international aid organisations on initiatives towards the socio-economic development of Albania speaks to the relevance of administrative reform and capacity building for the development of Albania. Most recently, the Organization for Economic and Social Development (OECD) has taken a prominent role in assessing the impact of international aid on development through establishment of formal mechanisms and institutions by working with national governments including the GoA. To this end, the Working Party on Aid Effectiveness (WP-EFF), a forum designed to address four critical issues in aid policy and provision to developing countries including ownership and accountability, country systems, managing for development results and transparent and responsible aid was established in Rome in 2003. Subsequently, under the auspices of WP-EFF, leading development practitioners represented by over 100 DAC members and partners came together in a high-level forum on aid effectiveness – to adopt Paris Declaration (PD) on Aid Effectiveness in 2005.
The PD was a landmark event, where the participating parties committed themselves to 56 partnership commitments through a single set of principles including: (i) ownership, (ii) alignment, (iii) harmonisation, (iv) managing for results and (v) mutual accountability. Born out of decades of development experience, these principles have gained support across the development community thus improving aid practice (DAC 2010). Technically, targets for 12 indicators measuring progress on donor commitments were set and surveys carried out in developing countries that opted to participate in this global process respectively in 2006, 2008 and 2011 in order to give as clear a picture as possible on progress across all dimensions of aid effectiveness. Beyond its principles on effective aid, the PD laid out ‘a practical, action-oriented roadmap to improve the quality of aid and its impact on development, putting in place a series of specific implementation measures and establishing a monitoring system to: a) assess progress and ensure that donors and recipient hold each other accountable for their commitments; b) implement reform for effective aid and c) improve partnerships for development (DAC 2011).

The 2008 Accra Agenda for Action (AAA), the subsequent high-level forum on aid effectiveness reaffirmed commitment to the original PD principles while also stressing the importance of increasing partnerships between donors, recipient, governments and civil society organizations in achieving better aid-supported development results. The purpose of following high-level forum which took place in Busan (South Korea) in November 2011 was to assess the progress towards the PD 2005 and AAA 2008 targets with a view to improving the quality of the provision of aid in the future. It culminated in the signing of the Busan Partnership for Effective Development Cooperation, a declaration which established an agreed framework for development cooperation that embraces traditional donors, South-South co-operators, civil society organizations and private funders, thus marking a critical turning point in development co-operation (DAC 2010). Capacity building of public administration systems of recipient countries to implement reform as necessary for country ownership and leadership of its policies and programmes has been a recurring themes in all the above-referenced ‘aid effectiveness’ forums.

However, the OECD approaches might be considered as rather technocratic, outcome-based and mainly reflect the donors’ evaluation of role of aid. Thus, recognizing this limitations as well as those of available literature on political and socio-economic dimensions of reform in Albania but also adding value to the approaches of international organizations (such as the OECD) towards the assessment of the aid impact, this research
intends to analyse public service reform through capacity development mostly from a policy ‘process’ rather than an ‘outcomes’ perspective. In other words, it attempts to do what previous studies/reports have sufficiently not done before: assessing the impact of international aid on a specific sector in Albania from a qualitative, process-oriented standpoint rather than based on quantitative measurements. This is considered to be one of the key contributions of the study to knowledge and research.

Hence, the purpose of the literature review (Chapters Two and Three) has been to identify the key works from disciplines including but not limited to public policy/administration and development management and other cognate areas of study. The review has drawn from and synthesized perspectives of the existing literature on concepts beyond aid and capacity building in developing countries, including literature on public sector reform and human resources management (HRM) globally and contextually. Through a discussion of their merits and limitations, such concepts have been analysed theoretically as well as with regard to their applicability to the country context.

As far as the use of theory in the research study is concerned, the aim of the literature review (Chapters Two and Three) has been to introduce and summarize the key debates on the ‘building blocks’ of this research study, that is ‘international aid’ and ‘administrative capacity building and reform’. Thus, the Dolowitz and Marsh (1996, 2000) policy transfer conceptual framework - as a toolkit guiding the research study, connecting all aspects of inquiry and allowing for generalized commentary - has been adapted to fit the context of this study. To a certain extent, given that in Albania, ‘administrative reform and capacity building’ are almost exclusively discussed in the context of the accession into the EU, which the country aspires to and therefore ‘international aid’ increasingly means ‘EU aid’, the study has benefitted from a specific strand within the policy transfer literature, that is the Europeanization theory and more specifically, the use of (EU) conditionality instruments. However, rather than a sustained theoretical account of aid or policy transfer toward administrative reform in a developing country, the theory in this thesis has been used to weld its key elements while its thrust indeed lies in the empirical nature of the findings, which help to understand the ‘story’ of the dynamics of aid-supported administrative reform and capacity building in Albania from a researcher’s, rather than donor or government reports’ angle.
1.3 The Significance of the Research

The development practice offers perspectives on the politico-economic dimensions of the provision of international aid mainly from the standpoint of donor countries, but it hardly offers solid theoretical models in assessing the role of aid on capacity building in developing countries. The criticism of the international aid organizations involved in administrative reform in Albania (but other countries in the SEE as well) – mainly consisting of mission and/or consultancy reports by the EU, the WB and the OECD and the UNDP – systematically points to the lack of administrative capacities and of progress in reforms, mainly linked to the overemphasized ‘communist legacy’ as reasons for the persistence of weak institutions in the country\(^2\). As mentioned above, the contribution this research intends to make is that, while drawing on theoretical assumptions of policy transfer and Europeanization, it offers a qualitative perspective on administrative reform and capacity building as linked to the role of donors and the interaction of the latter with recipients. Most importantly, it maintains that 23 years after the collapse of the communist system in Albania, it is about time that research addressed this underresearched area.

From a theoretical perspective, in spite of the abundance of textbooks on aid reflecting views ranging from discussions on the interventionist role of aid agencies in promotion of development to aid conditionality and implications for reform in developing countries (Bauer 1985, Riddell 1987) to, more recently, OECD reports on aid effectiveness, a comprehensive analysis of the aid impact on domestic reform in the research context (based on international relations or transition theories or any other theoretical frameworks) has not yet been published (CORE 2009). Even though this study does not intend to test or develop a specific theory or model to measure such impact, it is believed that its uniqueness lies in the very fact that it seeks to bring to light the perspectives of beneficiaries in the assessment of the role of aid in addition to those of donors.

From an empirical perspective, it is maintained that research and development establishments have failed to provide clear models/approaches or “criteria for success” in building capacity and improving performance (ECDPM 2008, DFID 2009). Thus, the key limitation of the literature on capacity issues in development co-operation is that it is based upon the formal results-based management and project framework approaches rather than research-based frameworks for measuring the impact of such cooperation (Watson 2005).

\(^2\) See Chapters Four and Five for a more detailed summary of donor organizations operating in Albania
In the context of this study, while some prior empirical research has been conducted and published with regard to the role of donors in the strengthening of public organizations in the region, many argue that most of that research has not been based on strong research methodology and frameworks (Fritz 2006). The researcher’s position is that the research to date has been confined to consultants’ reports on the weak performance of public institutions and their lack of capacities, which as discussed earlier, has been linked to the failure of public service reforms on country and regional levels. The significance of this research is that it offers an alternative approach to studying the progress of administrative reform by looking into other related variables such as the adoption of international reform doctrines and the interaction between donors and public servants in the research context.

Primarily designed as academic research, this study is intended for researchers, development practitioners, bureaucrats and policy-makers interested in reform processes in Albania (and the SEE region). In the light of the criticism of research as having limited policy relevance, based on the premise that ‘mainstream social science policy research and analysis is an important source, at least potentially, of information for policy analysts and decision makers’ (Vaughan and Buss 1998: xi), the idea behind it is to produce findings and perhaps some recommendations which might benefit improvements in aid policy-making, administrative reform and overall development processes on country and regional levels.

The researcher’s experience as an institutional development consultant for Albanian NGOs – heavily funded by donors – and yet, in his professional opinion, continuing to suffer from critical accountability and transparency issues, has served as another motivating factor in undertaking the study. Thus, in the light of a broader discourse over the role of state versus that of civil society as a vehicle of ‘good governance’ in development processes globally and in a regional context (Pierre and Rothstein 2011), this research reflects the position of the researcher on the importance of administrative capacity, thus highlighting the role of the state as a more legitimate conduit towards good governance. Although it must be emphasized that such motivation represents neither the ultimate purpose nor an objective of this research. Indeed, the hypothesis that this study builds upon is that while international aid organizations have played a pivotal role in administrative reform and capacity building in post-communist Albania, they have not sufficiently regarded the specificity of the national context and their rather limited role has also had unintended, negative repercussions in terms of the country’s slow progress towards EU accession.
1.4 Problem Statement and Central Research Question

In light of the discussion on the background of this study, its significance and contribution to knowledge, the problem that it addresses is the lack of contextual literature and research rigour in investigating an under-researched factor: the limitations of the role of aid in supporting the capacity building of the public service to implement reform. Hence, the research intends to answer the main, pivotal question: How has international aid influenced the process and implementation of public service reform and capacity building in post-communist Albania?

1.5 Research Purpose, Aim and Specific Questions

The purpose of this research study is to contribute to the literature on aid, public administration HRM and capacity building in SEE, Albania being a case study.

Hence, the aim of the research is to investigate the impact of foreign aid as implemented by aid organizations on building institutional capacities in public service organizations in post-communist Albania. In the light of similarities in reform processes, political developments (particularly as they relate to the EU accession process) and public sector HRM with other countries in the region, the case study could be used to substantiate broader theoretical concepts applicable to current and future studies on implications of public administration reforms for development processes in SEE or even beyond.

Based on the above central research question and the literature review investigating the key concepts of the research (discussed below), the study intends to answer the following specific research questions:

i. What policies and programmes have international aid organizations used to support the process of public service reform and capacity development in post-communist Albania?

ii. What are the institutions and mechanisms through which international aid organizations have sought to assess the role and impact of their policies and programmes?

iii. How have the specificity of the national context and the dynamics of interaction between international aid organizations and Albanian bureaucrats influenced the process of policy transfer towards the implementation of public service reform and capacity development?
1.6 Concepts and Definitions

1.6.1 International or foreign aid

A post-World War II phenomenon, international aid and its provision have drawn criticism on many fronts. This part of the literature review discusses the evolving debates from the early views on aid to those of modern-day academia, research and development practice as well as the criticism toward the role of the OECD in the establishment of current aid effectiveness mechanisms such as the PD (2005) and the AAA (2008) (see 1.2). Thus, the traditional views on the connection between aid and economic and political interests of rich countries have nowadays been dominated by critical views focusing on the relationship between aid agencies and aid recipients. Today’s most prominent authors are questioning not only issues such as accountability, feedback and planning mechanisms both within donor aid agencies and recipient organizations, but also the implications of aid for the reform and capacity development of public institutions in achieving sustainable development results in developing and transitional societies (Miller 1998, Riddell 2007, Easterly 2010).

As discussed earlier, this case study looks at the role of donors in both administrative reform and capacity development through an approach which, unlike the results-based management (RBM)-oriented evaluations of the former, factors in the perspectives of public servants as ultimate beneficiaries. Hence, the position this research takes, reflected in the selection of the research participants and its qualitative orientation, is that, in addition to the socio-political and technical implications in the provision of aid, the fundamental issue lies in the challenge on the part of both donors and recipients to ensure sustainability of aid-supported initiatives towards effective transfer of knowledge. Hence, by taking a critical look at the provision of aid in relation to public service capacity development, this research study attempts to contribute to the efforts of both aid practitioners, public servants and the academic community for transparency and sustainability in the provision of aid.

In the light of lack of rigorous, research-based theoretical frameworks for the assessment of the impact on aid on capacity building, the study borrows from a variety of disciplines including political and social science, public policy and administration and development management. The theoretical views from which this study has benefited have been used to shed light upon critical aspects of the provision of aid. Those include both the dynamics of
the interaction between donors and recipients as well as the effects of the governance of
donor organizations and their approaches to the assessment of the role, impact and quality
of aid. More specifically, the literature review has helped to inform and shape the position
this research takes on aid and its impact on public service reform and capacity development
in the given research context thus exploring the interaction between the two. The review
has also benefited from recent debates on aid effectiveness institutions and their role in the
improvement of aid quality, thus seeking to contribute new knowledge to this debate
through a specific case study. Chapter Two will delve deeper into concepts of aid and
capacity building from both development and academic perspectives.

1.6.2 Capacity building

Capacity building is a complex concept used very broadly, and sometimes too broadly, in
the development and management literature. It has been described as involving individual
and organizational learning and contributing to sustainable socio-economic development
(DIFD 2009). From a development perspective, capacity building has been defined as both
‘the ability of people, institutions and societies to perform functions, solve problems and
set and achieve objectives through encompassing human resource development (HRD) as
an essential part of development’ and also ‘the concept that education and training lie at the
heart of development efforts and that without HRD most development interventions will
be ineffective’ (UNDP 2002: 2-3). Other development agencies such as the ABD describe
‘capacity building’ as a process whereby individuals, groups and organizations enhance their
abilities to mobilize and use resources in order to achieve their objectives on a sustainable
basis (ABD 2004), whereas the OECD has defined capacity as the ‘ability of people,
organizations and society as a whole to manage their affairs successfully’ and capacity
development as ‘a process by which people, organizations and society as a whole create,
strengthen and maintain their capacity over time’ (OECD 2008).

Public management science has defined capacity as both ‘a sum of the capabilities of a
public organization, its ability to learn and adapt and the performance of the organization
in delivering good services and having an impact on policy and practice’ and also ‘a result
of the interplay between individual, organizational and institutional factors; capacity
building also suggests a shift towards enhancement and strengthening of existing capacities
of an organization’ (ECDPM 2008:4-23). However, recognizing the lack of rigid definitions
of capacity building affecting the ability of practitioners to engage in development practice
beyond vague references as ‘a people-centred approach to development’ (Eade 1997, 2006), a strand of literature views it as an instrument for achieving institutional reform (Dill 2000).

In order to succeed, capacity building in public sector settings depends on institutional and organizational factors. Research so far has not indicated any single model or set of approaches that is guaranteed to succeed in building capacity and improving performance (ECDPM 2008, DFID 2009). This makes determining the ‘criteria for success’ difficult. Besides, the development literature has failed to offer us any ‘success criteria’ for aid-supported capacity building. In fact, ‘the results of capacity enhancement in the public sector of developing countries have been disappointing exactly because of the way donors apply formal RBM frameworks and analyses rather than empirical research-based ‘success criteria’ to measure the impact of their capacity building initiatives’ (Watson 2005: 4).

In light of the theoretical analysis of the above concepts as applicable to the country context, the research study confines ‘capacity building’ to policy learning and training within the context of administrative reform as the key dependent variables of aid as the independent research variable. It must be emphasized, however, that this study looks at capacity building as a policy instrument of development assistance rather than as an element of organisational development and learning. The mediating variables facilitating the interaction between the above dependent and independent variables will be part of the discussion on the Dolowitz and Marsh (1996) conceptual framework (Chapter Three).

1.6.3 Public sector HRM in an administrative reform context

The literature on international public management and reform doctrines including the New Public Management (NPM), the Weberian model of public administration and hybrids such as the Neo-Weberian State (NWS) makes reference to the many ‘houses’ of politico-administrative regimes and types of reform trajectories in various sectors including finance, personnel and organisational restructuring (Hood 1991, 1998; Drechsler 2003; Dunleavy et al 2006a; Pollitt and Bouckaert 2004, WB 2008, Flynn 2009). Moreover, while the policy transfer literature tends to broadly address the occurrence of transfer in the industrialized and developing world, a strand of literature identifies international aid organisations including the OECD, the World Bank and the IMF as ‘policy transferors’ championing reforms to developing countries (Common 1998; Verheijen 2003; Evans 2004, 2009; Hardiman and MacCárthaigh 2008). However, as mentioned earlier, to address the role of
aid in the entire public sector in one PhD thesis would be too ambitious. Therefore, this study addresses reform in public sector human resource management (HRM). From a management perspective, HRM typically focuses on recruitment, selection and retention, total compensation and benefits, learning and development, job analysis and evaluation, performance management, employee relations, workplace health and safety (Torrington, et al 2008). But this would constitute the ‘Western’ or ‘developed country’ definition of HRM. The application of concepts related to HRM in developing country contexts is quite a different story. As McCourt and Eldridge (2003: 9) have argued, ‘the world is full of HRM textbooks but few of them focus on the need for an approach to HRM that takes account both of ‘good practice’ and models of HRM and of the particular context’.

In fact, the international management literature informs us that the concept of HRM in itself is a product of a particular Anglo-American culture (Tayeb 2000). From a contextual perspective, the literature also suggests that in post-communist CEE, there is a tendency for organizations to adopt uncritically imported HRM solutions and practices (Jackson 2002). In the context of this study, HRM is in itself a new, almost foreign concept to public organizations in Albania, which often seem to be equipped with but not necessarily using ‘copy and paste’ verbatim translations of HRM manuals of their Western donors. Thus, it explores the notion of capacity building as a means towards effective HRM in public organizations in the particular context being a real challenge but an exciting one.

More specifically, this research looks at the concept of HRM in the broader context of administrative reform. By definition, in most industrial and developed nations of the US and Western Europe, the term refers to ‘a process of changes in administrative structures or procedures within the public services because they have become out of line with the expectations of the social and political environment’ (Chapman and Greenaway 1985: 9). While contemporary efforts towards administrative reform have occupied a central activity of all modern day governments, the term per se has different meanings not only in different nations with different political systems, but also in countries with established good reforms, where the term means one thing to politicians and another to administrators, specialized personnel and academic scholars (Andrews 2010). In developing countries, where public administration systems are often based on the classic Weberian model harnessed to the needs of the developmental state, administrative reforms represent attempts to modernize and change society by using the administrative system as an instrument for socio-economic transformation (Farazmand 1999, McCourt 2011).
To conclude, while there is an abundance of studies on HRM, which treat elements such as staff capacity building from a Western perspective, the literature on HRM practices in developing countries is inadequate. In fact, while aid towards the latter has been driven by donor ‘good governance’ agendas in the research context, it has focused less on context (Smith 2007). Thus, the purpose of our discussion on HRM, as part of the policy transfer and the ‘Europeanization’ of administrative reform and supported by aid organisations, is twofold. First, it intends to broaden our understanding of the importance of the contextual HRM and its implications for reform. Secondly, it serves the purpose of explaining the rationale for the selection of a key HRM element, training, which in the research context is considered as an instrument of aid-supported policy learning towards administrative reform as part of donor ‘good governance’ agenda. These concepts will be treated in greater detail in Chapters Two, Three and Five.

1.7 Research Strategy

This study employs the case study method, typically associated with the qualitative research methodology, as the most effective and appropriate tool for this research study. Thus, Albania illustrates the case of a country, where aid towards administrative reform and capacity building is closely linked to the EU accession process. The critical advantage of the case study may be understood as ‘the intensive study of a single case, where the purpose of that study is, at least in part, to shed light on a larger class of cases’ (Gerring 2007: 20).

Besides, the case study method attempts to generalize, with certain limitations, thus potentially leading to development of theories or models that may account for future cross-country comparisons in the SEE region. However, clearly, the latter is not the immediate objective of this study. The specific research instruments and procedures (elite interviews, focus groups and documentary analysis) are discussed at length in Chapter Four.

Finally, the research strategy takes into account the coherence and consistency between the research strategy on the one hand and the epistemological position and methods on the other. Most importantly, as ‘social scientists have been criticized in the past for not sharing their research findings with those who may use them’ (Seal 1998: 119), the dissemination of the research results to relevant stakeholders is conceptualized as a long-term goal transcending the scope of this research. Thus, in particular, this study also intends to make a contribution to the debate over the need for research dissemination for policy relevance and change in Albania and perhaps even broader.
1.8 Organization of the Study

This study consists of nine chapters, which form the structure of the thesis:

*Chapter One* presents a general background of the research context emphasizing the gaps in literature and the study’s significance. Research objectives are formulated in this chapter.

A comprehensive literature review in *Chapter Two* theoretically investigates two key concepts of the research, international aid and capacity building, their definitions and engagement in the research context.

*Chapter Three* focuses on a detailed discussion of the conceptual framework central to this study, policy transfer (Dolowitz and Marsh 1996) and its application to the research, drawing on both international reform doctrines and the Europeanization theory.

*Chapter Four* describes the study’s methodology and research tools and procedures used during the data collection. Ethical considerations surrounding the case study as well as constraints/lessons learned from the fieldwork experience are also detailed in this chapter.

*Chapter Five* provides a background of the country context focusing on the implications of aid for public service reform and capacity development in post-communist Albania.

*Chapter Six* analyses the programmes and policies of aid organizations involved in administrative reform and capacity building through training and policy learning.

*Chapter Seven* analyses domestic institutions and mechanisms used in the assessment of the role of the above policies and programmes as part of global aid effectiveness agenda.

*Chapter Eight* explores the specificity of the national politico-administrative context and the dynamics of interaction of the key policy actors, donors and bureaucrats, in the implementation of capacity building programmes. Drawing on both the policy transfer framework and theoretical arguments as suggested in the Europeanization theory, this is the part of the study that attempts to analyse the voluntary vs. coercive nature of reform.

*Chapter Nine* summarizes the study findings and contribution to theory and research through an approach, which combines findings with policy implications/recommendations.
Chapter 2. PERSPECTIVES ON AID AND CAPACITY BUILDING

2.1 Introduction

In a broad context, the purpose of the literature review has been to identify the key works surrounding the building blocks of this study from disciplines including development management, political economy and public administration/policy studies. More precisely, it has drawn on the work of the most prominent authors on aid and its politics, on the one hand, and administrative reform and capacity building on the other, thus analysing the interaction between these two key concepts on global and regional levels. While the focus of Chapters Two and Three is to present a review of theoretical perspectives on those concepts as debated in the literature as well as their merits and shortcomings, Chapter Five discusses the socio-political dimensions of both aid and reform and capacity building in the context of the case study of Albania during the post-communist era from 1991 onwards.

The theoretical considerations include the dynamics and politics of aid and the agendas of development agencies representing “Western” governments, the interaction between donors and recipient countries and the role of domestic contexts in development processes (Peters 1997, Riddell 1987). More specifically, the purpose of this part of the literature review has been to shed light on the key debates on international aid in order to locate future arguments on its contradictory and controversial nature as related to administrative reform and capacity building in the research context. As noted in Chapter One, a key limitation of the literature is that it treats aid and its impact on the overall socio-economic development of Albania, the country in question, through the lens of international aid organizations, otherwise referred to as ‘donors’. Such literature hardly focuses on the role and impact of aid on specific sectors or industries.

As discussed in Chapter One, with the adoption of the Paris Declaration in 2005, aid organizations such as the OECD have spearheaded global initiatives seeking to measure ‘aid effectiveness’ through mechanisms which seek to harmonize aid with country systems and national socio-economic development strategies. Specialized directorates within the OECD such as the Development Assistance Committee (DAC) have been producing

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3 In March 2005, over 100 DAC members and partners agreed to the Paris Declaration on Aid Effectiveness. The full text of the declaration is available at http://www.oecd.org/dataoecd/11/41/34428351.pdf.
statistical data and reports on ‘aid effectiveness’ for all OECD countries including Albania. However, as noted earlier and will be suggested in the discussion that follows, those data/reports hardly go beyond aid statistics which OECD produces based on technocratic, RBM (logical) frameworks with limited policy coherence for development. By not only challenging but also adding value to the quantitative approaches used to assess the role and quality of aid, the literature review supports the study’s intended contribution to knowledge through a qualitative, research-based analysis of the impact of aid through a specific case study rather than measuring outcomes of aid, especially in a context where, in the researcher’s view, there is an overemphasis on the ‘communist legacy’.

There are indeed quite a few reports on the capacities of public bureaucracies in the research context mainly developed by aid organizations engaged in assisting administrative reform and capacity building in Albania, such as the SIGMA initiative or the OSI (Stubbs 2005, Elbasani 2009, Reid 2010, Petersen 2010)4. However, these clearly focus on periodic assessments of public sector HRM and mostly treat administrative reform and capacity building in the context of EU accession. Yet it is important to emphasise that while this is not a re-iteration of the above public sector HRM assessments, studying administrative reform and capacity building as supported by international aid in isolation from EU accession and domestic politics would be naïve.

Thus, the analysis of the intersection between the two key variables ‘aid’ and ‘administrative reform’/‘capacity building’ through a specific sector (public service) – which is considered to be the essence of this research – takes place through a broader discussion of their link to broader reform and good governance as overarching development goals discussed in both development management and public administration literature (Chapter One). The discussion of how aid has influenced administrative reform and capacity building based on international doctrines and theories of public policy (see 2.3.3) is the starting point for the introduction and analysis of the policy transfer conceptual framework this draws upon (Chapter Three). Part of that discussion, which also borrows from some of the theoretical assumptions of the Europeanization theory (particularly those related to the use of EU conditionality instruments) as a strand within the policy transfer literature, highlights the significance of this research study in terms of analysing the interaction between the key policy actors in the implementation of administrative reform and capacity building. As will

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4 Support for Improvement in Government and Management Initiative (EC-OECD); Open Society Institute
be explained later, this is precisely seen as the study’s contribution to both theory and policy transfer methodology.

Overall, the review of the relevant literature has been carried out with a dual purpose in mind. First, without categorically rejecting the RBM approaches of donor reports, it has aided the process of understanding the complexities of the key variables at work. The theoretical views from which this study has benefitted have been used to shed light upon both critical aspects of the provision of aid and its role in development with its focus on public service capacity building, thus exploring the interaction of those of variables as they relate to the research context. Secondly, the review has helped the researcher to understand the Albanian politico-administrative context and analyse the primary data collected. Most importantly, it has, directly and indirectly, contributed to the work towards identifying such framework while drawing on controversial views on aid and administrative reform/capacity building within and beyond the development management, political economy and public administration/policy studies literature. The conceptual framework, adapted from Dolowitz and Marsh (1996) policy transfer model, will be discussed in Chapter Three.

2.2 International aid: concept and context

2.2.1 Overview

A highly controversial subject, ‘international (or foreign) aid’ is usually associated with the formal term ‘official development assistance’ (ODA). It represents all financing that flows from developed country governments and multilateral agencies through DAC representing the community of the OECD member countries to the developing world. Even though economic aid to developing countries has been tracked back, in general terms, to ‘the colonial links between imperial Western powers and their overseas territories’, international aid is a post-World War II phenomenon (Zeylstra 1975; IBRD/WB 1998: 6-7). A World Bank policy research report shows that while during the ‘70s and ‘80s, aid from OECD countries rose steadily and peaked in 1991 at $69bn, three events lowered the absolute and relative importance of foreign aid in the ‘90s: fiscal problems in OECD countries, the end of the Cold War and the dramatic growth in private capital flows to developing countries (WB 1998).

In the early 1950s and 1960s, pro-aid theorists comfortably worked with the assumption that there was a moral and humanitarian cause for aid, which Western donor
governments had certainly acknowledged and used as justification for having, maintaining or expanding aid programmes (Riddell 2007). In the 1970s and 1980s, as the grounds for the pro-aid arguments shifted, such assumptions were increasingly questioned as for many developing countries, development was not occurring or its pace was slowing down (ibid). Hence, in the last 20 years, controversies and debates taking place over the nature of both aid policy and development strategies have become prevalent while the Western development practice has been trying to improve the situation (ODI 1987; Jacobs 1996).

As Riddell, one of the most prominent critics of aid has argued, ‘despite the fact that the criticism towards development aid does not reflect a majority in the literature and is virtually absent from the views of any contemporary governments in both ‘donor’ and ‘aid recipient’ countries, rich or poor, critical arguments have been receiving considerable attention in professional journals and the media as well as among professionals concerned with development issues or politicians/policy-makers’ (1987: 82).

The purpose of the discussion in the sections below is to provide a summary of the key debates on international aid and related issues such as its politics and quality from political, socio-economic and even cultural perspectives. The discussion draws on views from various strands of literature including development management and political economy. This chapter introduces the reader to early and modern-day theoretical debates on aid policy and its impact on development. Central to the discussion is the analysis of the views of two opposing camps (in favour of or against aid) mainly within the development management literature. The essence of the analysis is to challenge views maintaining that there is a moral case for aid and that it is positively linked to more rapid development as contrasted to the views of critics, who maintain that the motives for the provision of aid are based explicitly on political criteria to justify the policies of donor countries in the developing world (Easterly 2003, Browne 2006). The rest of the following discussion, which focuses on the broad concept and definitions of capacity building, leads to a further treatment of the nexus of the two concepts through the lens of the implications of international aid for administrative capacity building. A more detailed discussion of the implications of aid on administrative reform through internationalization of reform doctrines (such as the NPM) and policy transfer takes place in Chapter Three, where the latter is introduced and discussed as the overarching framework of this research study.
2.2.2 Conventional aid theory: normative vs pragmatic views

Schools of thought which have played a predominant role in shaping foreign aid policies for almost 40 years now have been trying to answer the question of whether aid as treatment given to poor countries to generate development is effective (Doucouliagos & Paldam 2007). To begin with, conventional aid theory, which originated as a recognized characteristic of international relations in the 1950s, is based on the claim that aid is a positive force in development and the belief that post-war economic expansion and the success of Marshall Aid among leading industrial nations had universal applicability and could lead to similar results in the developing world by accelerating their development (Rostow 1971, Hirschman 1982, Riddell 1987). However, the fundamental argument of the critics of conventional aid lies in the assumption that the theory does not sufficiently address the role of socio-economic and political conditions and the development of human resources in developing countries. For them, emphasis needs to be placed on the need for structural change in developing countries to create the conditions necessary for growth to occur, thus highlighting the need for human capital to achieve more rapid development (Chenery 1983).

Riddell (1987) categorizes the debates associated with conventional aid theory as ranging from ‘pro-aid’ views (rather than theories) in support of the ‘moral case for aid’ as an obligation and responsibility of the advanced and rich countries to assist developing and poor countries to ‘blanket criticisms’ which assert that aid may also inhibit development, which otherwise can be better achieved by the cessation of aid, at least as currently transferred (Friedman 1970, Krauss 1983). The proponents of the ‘moral justification for aid’ argue that international cooperation in development is about the shared responsibility to develop the capacities of others in order to both fulfil themselves and to contribute to the common heritage of civilization and the concept of the human good (Streeten 1981, 1983; Dower 1983). Rejecting the egalitarian argument of the shared responsibility, the opposing camp argues that the morality arguments for aid do not form a sufficient basis for development agencies to provide aid because those are more frequently used by their governments as justification for their interventionism (Bauer 1985). Others tackle their criticism from a perspective which factors in the socio-political contexts of developing countries, whereby their political regimes are unable and/or unwilling to address their critical realities, and turn to international aid, which is in practice no solution to more fundamental issues (Mende 1970, Lappe et al 1980).
The views of the proponents of the moral case for aid have been challenged by another group of critics for whom the fundamental basis for the provision of aid is national self-interest or security (Riddell 1987). Building on this assumption, Mikesell (1968) and White (1974) have argued that aid is a means of carrying out national foreign policy objectives and the “selfish” interests of the providers of aid, the so-called “donors”, which may ultimately reduce its beneficial impact. Others have demonstrated that these assumptions underpin the aid politics of some of the most democratic societies in the world. For instance, to show that the national self-interest as reflected in international aid policy has been a prominent theme in the US, Hayter (1981) and Myrdal (1982) as a persistent critic of the moral case for aid use quotations from President Truman’s and President Nixon’s presidential campaigns, where they respectively state that ‘foreign aid is a method by which the US maintains a position of influence and control around the world...’ and ‘the main purpose of aid is not to help other nations but ourselves and even though there are sound, practical reasons for our aid programmes, they do not do justice to our fundamental character and purpose’ (quoted in Riddell 1987: 61).

The views of the proponents of the role of aid in the socio-economic development of recipient countries, the chief spokesmen for which have been international organizations, regard it as ‘a right of the recipients and conclude that provision of aid is a condition for development’ (Mikesell 1968, Bahagwati 1970, Kraus 1983a: 157 and 190). In a blatant rejection of the moral justifications for aid, opponents have questioned ‘the core value of aid as obstructing development rather promoting it’ (Bauer 1984: 44). However, those who have engaged in most recent debates on aid have concluded that while there is a good cause for aid, it would be strengthened by injecting far more honesty into the debates on it (Riddell 2007). Nowadays, ‘in an environment where views on implications of donor countries’ political and economic goals and humanitarian justifications (the so-called UN doctrine) for the provision of aid to less developed countries are old-fashioned or even non-existent’, there are still gaps in arguments for or against it (Whelan et al, 1996: 10). Increasingly, in the past few decades, the development management literature has been critiquing problematic aspects of aid policy from both sides of the spectrum, the donors and the recipients.

The argument that can be made from reviewing conventional aid theory, reflecting views of authors from the two opposing camps (that is, the ‘moral case for aid’ and ‘blanket criticisms’), is that those views are not only old-fashioned but rather ambiguous,
controversial and inconclusive (Riddell 1987). Besides, they often remain in doubt as no satisfactory cross-country research has been carried out to show conclusively that aid is positively correlated or even contributes to development (ibid). As such, these normative views on aid and its role in developing countries are not based on the rigorous frameworks which quality empirical research requires. Moreover, there is hardly any serious treatment of the implications of aid for capacity building and good governance in developing countries (see 2.2.3 below). Only the development literature of the ‘90s starts to pay attention to this. However, to re-iterate, as far as this research is concerned, the discussion of views of the opposing camps sheds light on the controversial and contradictory nature of international aid in order to locate future arguments on its implications for administrative reform and capacity building, discussed in the empirical part of the study.

To this end, the rest of the discussion in this chapter has drawn on a variety of disciplines, which includes literature from development management, political economy, public policy/administration, political science and even anthropology in order to enrich the understanding of the role and impact of aid on development and capacity building. As noted earlier, Chapter Three will focus more directly on both policy transfer as a conceptual framework within which to analyse both variables at work and as well as the engagement of international aid with administrative reform doctrines via policy transfer.

2.2.3 Evolving debates on aid and its impact on development

The focus of the literature review in the discussion below will shift towards more modern views and debates on international aid and its impact on development. Unlike the early theoretical debates discussed above, which had focused more broadly on political and economic aspects of aid policy, the literature in the last two decades has been paying more attention to further exploring the link between aid and development as influenced by related factors. Those include the role of political and social indigenous contexts related to aid effectiveness, the dynamics of the relationship between donors and beneficiaries and most recently, aid transparency and politics within and among donor organizations (Easterly 2003, Riddell 2007). Most importantly for the context of this research, the more up-to-date literature has been debating the implications of aid for reform and capacity building as part of the ‘good governance’ in donor programmes today, a concept which will be treated in greater detail towards the end of the discussion in this chapter.
The discussion of the early theoretical views on the impact of international aid on development revealed that, irrespective of the fact that Western governments tend to base their decisions on the pro-aid rationale that international aid and development are positively correlated (Riddell 1987), research to date has not proven that this is the case. On the one hand, more recent empirical research has been able to identify a correlation between the performance of bureaucracies and their capacities and the economic and social development of less developed countries (Evans and Rauch 2000, Rodrik 2007, Holmberg et al 2009). However, on the other hand, in most cases, this has not been necessarily linked to the international aid provided to those countries. In this context, Collier (2006) and Booth (2011) attribute the lack of evidence of a strong positive link between aid and development outcomes such as economic growth and the failure of development research to take on board the centrality of public institutions for effective development. They argue that their constraints limit the effectiveness of aid as a contribution to development. Based on these arguments, the case study of the role of aid in the reform and capacity building of public service in this research context might indeed contribute to the debate on the link between aid and development more broadly.

The development management literature began to address issues such as the role of beneficiaries and political and socio-economic factors in indigenous contexts of recipient countries in relation to their impact on development as early as the 1980s. As in the case of conventional aid theory, these views vary considerably. On the one hand, critics of the role of recipient countries have argued that the impact of aid for development depends upon personal, cultural, social and political factors, that people’s own faculties, motivations, values, their institutions and the policies of their bureaucracies (Bauer 1984). On the other hand, technocrats have suggested that ‘the answer to many of the problems of foreign aid lies simply in increasing sophistication through more and better planning, project preparation and appraisal’ (McNeill 1981: 15). More recent debates have further explored the complexities of the interaction between donors and recipients in terms of power relations as well as institutional and cultural variables as key to effective and efficient international aid policy and programmes (Hyden 2008, Booth 2011).

The argument that ‘certain socio-economic and political systems can be a significant impediment to the successful implementation of donor aid’ has been supported in the development literature (Böhning and Schloeter-Paredes 1994: 109). It has been argued that ‘many problems with international aid are caused or exacerbated by wider systemic or
institutional factors; some of these originate with the donors, some can be traced to the recipients, and some can be traced to the overall relationship across and between donors and recipients’ (Riddell 2007: 357). On the one hand, donor countries acknowledge the neglected influence on aid of ever changing domestic politics, ideologies, institutions and political systems (Lancaster 2007). On the other hand, its ineffectiveness has been often blamed on the recipients’ performance and inability to absorb international aid effectively. However, the debates on both the role of political and institutional factors as related to the impact and effectiveness of aid as well as on the dynamics of the relationship between donors and recipients are complex and contextual.

From a different angle, the perspectives of the political economy literature on aid and its impact on development shed light upon issues such as its cost-effectiveness, which has implications for both donors and recipients. It argues that while ‘the costs of the provision of aid have been significant but results seem disappointing’ (Burnell 1997: 88), it is important to look at both its cost effectiveness in donor countries and sustainability and appropriateness in recipient countries. ‘The traditional pressures on donors to reduce costs of providing development aid are now reinforced by concerns about overall costs versus benefits of recipients and its applicability to local, national or cultural contexts’ (Riddell 2007: 204) and... about ‘excessively cumbersome administrative processes, inefficient accountability and feedback mechanisms for aid beneficiaries’ (Celasun & Walliser 2008: 547-543). Issues of cost effectiveness and sustainability of development aid have become increasingly important to look at in the aftermath of the global crisis affecting both developed and developing countries. It is often suggested that donors are also partly to blame for disappointing results in development co-operation because their monitoring and evaluations are based on technocratic, outcome-based framework approaches and limited feedback from beneficiaries (ECDPM 2008).

Modern day critics of aid, who have researched the dynamics of its provision to the CEE following the collapse of communism, tackle their criticism from broader perspectives. As development economists have for years blamed aid agencies for creating programmes in those countries without regard to their distinctive cultures, political and social frameworks (Miller 1998), some of them point to the importance of formal and informal systems through which donors and recipients operate. Wedel (2000, 2004) is one of those critics. For her, aid programmes in CEE have suffered from a ‘gigantic disconnect between East and West forged by the Cold War and exacerbated by the barriers of language, culture,
distance, information and semi-closed borders’ (2000: A16). In trying to explain the ethnography of aid in CEE, she argues that ‘processes associated with those systems disperse accountability and maximize deniability thus bringing to the fore the importance of networks, relationships and key brokers (such as contractors and consultants) in negotiating international aid’ (Wedel 2004: 166-68; Mosse & Lewis 2005: 16).

Donor transparency and motivation have also been subject to increasing criticism in recent years. As discussed earlier, there is literature going back to the 1950s that warned us of donor self-interest ‘under the cloak of doing good’ (Meier 1974, Griffin 1986, Hancock 1989). More recent literature treating donor motivation as related to their impact on foreign aid suggests that, although both altruism and self-interest are motives for giving international aid, it is still designed to provide economic benefits for donors and serve ‘domestic special interests’ such as increased influence of donor governments for better access to markets and exports (White 2006, Murshed 2009, Moyo 2009, Easterly 2010). Thus, most recent research has been able to demonstrate that aid is always linked to and often made conditional on the donor’s national interest or political agenda (Abouassi 2010). Such finding accords with the view of Browne (2006), who has argued that it is precisely because the content and terms of aid are strongly influenced by the needs and interests of suppliers rather than those of recipients that aid is still poorly matched to need.

Therefore, elements such as domestic contexts, dynamics of donor-recipient relationships and aid transparency are important factors to look at because they have clear implications for the role of aid policy in developing countries including the context in which this research takes place. However, as in the case of the conventional aid theory and views associated with it, the more recent theoretical debates on aid and development still represent controversial and inconclusive views rather than well-established theories, which meaningful research should build upon. Despite that, it is claimed that there is a consensus in the literature gravitating towards a ‘middle ground’ theoretical approach which is built upon the assumption that aid is a form of international policy transfer that has at least the potential to impact positively on institutional capacity (Riddell 1987, Collier 2006).

2.2.4 Criticism towards aid effectiveness mechanisms and institutions

In the light of increasing criticism over the quality and impact of aid on development recognizing that development aid could and should be producing better results, especially
in uncertain economic times when better aid and lasting development are needed, organisations such as the OECD continue to facilitate and monitor progress of the implementation of the principles outlined in the PD, the AAA and Busan (see Chapter One). As a result of this process, a recent DAC report conveys, ‘it is now a norm for aid recipients to forge their own national development strategies with their parliaments and electorates (ownership); for donors to support these strategies and work to streamline their in-country efforts (alignment and harmonisation); for development policies to be directed to achieving clear and measurable goals (results); and for donors and recipients alike to be jointly responsible for achieving these goals (mutual accountability)’ (OECD 2011: 2-4). However, as a recent evaluation of the PD has shown, ‘even though its principles make a difference for development and it helped transform aid relationships between donors and partners into vehicles for development co-operation through creation of results frameworks, donors still fall short at the measuring the impact of governance programmes through an unnecessary proliferation of assessment tools and costs, fragmented or duplicated efforts and weak links with their partner countries’ processes’ (ibid).

However, despite the OECD’s efforts to launch, support and promote aid effectiveness structure, mechanisms and institutions, thus taking the debate on aid policy and its effectiveness to a new level, ‘this has not stopped it from coming under policy and academic scrutiny’ (Gulrajani 2011: 1, Hayman 2009, Eyben 2010). For today’s academics and researchers engaging in debates on aid and its impact, while there is a weak link between aid delivered in accordance with the PD principles and improvement development outcomes, the debate on aid policy and its effectiveness has not delved deeply into the complex ways donor organization, management and governance impinge on and influence aid quality and institutional capacities (Bebbington et. al. 2007, Stern et. al. 2008, Birdsall 2010). A benign interpretation of the above might suggest that through complex language and targets reflected in the PD, ‘aid effectiveness’ might have become an end itself rather than a way to improvement development outcomes (Whitfield 2009, Booth 2010).

From a more critical perspective, Blunt et. al. have argued that ‘a permissive, legal non-binding and internally inconsistent document such as the PD commits its signatories to improving aid effectiveness through donor coordination, sometimes at the expense of other or equally more deserving variables related to effectiveness of aid’ (2011: 179). Those would include ‘the political will and commitment of both donors and recipients, the mismatch between the quality and capacities of donor representatives and their
counterparts in recipient countries (or among donors themselves) and or the gaps that can exist between the rhetoric and real motivations of both donors and recipients’ (ibid). Besides, as Booth maintains, ‘the key issue with the PD lies in the inadequately addressed political notion of ‘country ownership’ which can be in conflict with donor ‘harmonization’ especially because when donors “gang up”, there is, in fact, less policy space for governments’ (2011: 5). Partly agreeing with these arguments, the researcher’s interpretation is that the PD is that and mechanisms and institutions associated with it might limit the clarity and purpose of international efforts to properly assess the role aid in the long-term development of the capacities of essential sectors such as public service.

To re–iterate, by adopting a process-oriented approach to the assessment of the role of aid in public service reform and capacity building in Albania, this research both challenges and adds value to the ‘outcome-based’ approaches of organizations such as the OECD in measuring ‘aid effectiveness’ and this is considered as one of the study’s key contributions.

2.2.5 Aid and implications for capacity building

As noted earlier, while the lack of research-based evidence for a strong link between aid and development is still an issue, the attention to capacity building is on the rise. In this context, critics have questioned both the absorption of aid by beneficiaries as well as donor organization and accountability as related to the implementation of capacity building programmes in developing countries. Their criticism addresses limitations of RBM frameworks which donors use in the measurement of ‘aid effectiveness’, but also obstacles they face in improving their own capabilities (Watson 2005). Thus, the most adamant critics of the latter argue that while aid agencies talk so much about “good governance” in the recipient countries, their own governance and resource management practices would be unacceptable in most areas of economics in rich country democracies (Easterly 2006, Easterly and Pfutze 2008). However, the development assistance practice is resistant to and resentful of such critiques which Brinkerhoff and Brinkerhoff (2010) refer to as ‘donor bashing’ and ‘anti-development views’. Yet, media, policy-makers, professionals and researchers are increasingly concerned with these issues.

However, the success of aid-supported capacity building which many developing and transitional countries depend on is considered controversial mainly in terms of its absorption and sustainability on the ground (that is, in the recipient countries). Yet, despite
‘frequently voiced concerns about aid unpredictability and international commitments to improve it as well as the capacity of state officials to manage technical assistance themselves’ (OECD 2010: 16), the literature offers very little systematic treatment of this issue (Celasun & Walliser 2008: 583). Thus, although international (aid) organizations claim that donor efforts have contributed positively to the creation of capacity within the state to articulate and implement policy and have had a positive impact on political processes and state-society relations (OECD 2010), it still appears that there is very little research-based evidence in the literature on the impact of donor agencies on the reform and capacity building of the state bureaucracies per se.

The literature on aid suggests that ‘after donor governments have been using aid funds to persuade governments to introduce policy changes, the last couple of decades have marked a return to fundamental components of aid-giving, which is re-oriented towards the satisfaction of human needs and most agree that human resource development has rightly been a priority area’ (Hewitt 1994: 89). To this end, the focus of the development establishment and aid effectiveness institutions has been on creating and transmitting knowledge and capacity as well as supporting institutional and policy changes that improve public service delivery (WB 1998). This premise, on which it is elaborated further in the discussion below, probably best substantiates the significance of the objectives of this study as well as the contribution it intends to make to research and knowledge (Chapter One).

Thus, the current global aid effectiveness mechanisms have highlighted capacity building as a key priority, highlighting its importance for Southern ownership, leadership strategies and processes. Since the inception of the PD, capacity building has been at the centre of the ‘aid effectiveness’ debate, through which DAC has sought to help the donor community identify and apply capacity development good practice in compliance with its policy on ‘Working Towards Good Practice’ (DAC 2006, OECD 2012). Most recently, DAC has helped raise the visibility of capacity development in both the AAA (2008) by generating a comprehensive list of six capacity development operational priorities and the Bussan Partnership (2011) aiming to consolidate and disseminate learning on existing approaches and good practices for each of the priorities (OECD 2011)\(^5\). To achieve development results, countries need the capacity to take the lead in making decisions on the right policies.

\(^5\) The Accra Agenda for Action (2008) contains 16 different passages on capacity development, which can be grouped into six operational themes: Technical co-operation, Fragile situations; National, sector, and thematic strategies; Country systems; Civil society and private sector; and Enabling environment (OECD 2008)
and programmes for them; developing capacity therefore means more than just transferring institutions and knowledge from one country to another (ibid).

In recent years, capacity building has increasingly become an integral part of the activities of several individual multilateral and bilateral aid organizations. For example, a recent report of DAC reveals the following facts: i) the World Bank Institute (WBI) provides capacity support, through which 20% of the Bank’s and a majority of non-lending services are related to capacity building; ii) capacity building is at the heart of the mandate and functions of the UNDP, which offers many support services such as methodology and tools, advocacy and advisory services, programme support and knowledge exchange to partner countries through specialized resources located both in headquarters and field offices; ii) the ADB (Asian Development Bank) and the AfDB (African Development Bank) both have funded priorities in capacity development (DAC 2010). DAC members including the EC (European Commission), the GIZ (German Agency for International Cooperation), the SIDA (Swedish International Development Agency), the ADA (Austrian Development Agency, the SDC (Swiss Agency for Development and Cooperation), etc. support the concept of capacity building as an underlying aspect of the PD (2005) and AAA (2008) and work on policy statements which guide the content of their own aid-supported efforts in capacity building (ibid)⁶. It is therefore important to first treat the concept through the lens of academic literature, which is the aim of the discussion below.

2.3 Capacity building

2.3.1 Scope and context

Capacity building appears to be a complex notion as encountered in the development, policy and management literature. The concept, often interchangeably referred to as ‘capacity development’ and, in certain disciplines such as political studies, as ‘state-building’, emerged in the late 1980s and gained increased prominence throughout the 1990s (Lavergne and Bolger 2001). Today, ‘capacity building’ and/or ‘capacity development’ have wide currency in the development community. International aid organizations have their own definitions of capacity building or development. While generally consistent, those are generally very broad and are often used too loosely in both their programming and the

⁶ See http://www.oecd.org/dac/dacmembersdatesofmembershipandwebsites.htm#Austria for a full list of DAC members
rhetoric of debates on aid and development. Some of the definitions of the concept presented earlier (Chapter One) will be re-iterated below.

To begin with, adding to the original definitions of ‘capacity’ and ‘capacity building’, the OECD describes the role of capacity building in development through recent declarations such as the PD as ‘key to development results and indispensable for country ownership and leadership of its policies/programmes and central to sustainable national development and shaping a common North-South agenda and encouraging good practice’ (OECD 2011)\(^7\). The UNDP has defined it as ‘the ability of people, institutions and societies to perform functions, solve problems and set and achieve objectives through encompassing human resources development (HRD) as an essential part of development’ (UNDP 2002: 2). It is also based on the concept that ‘education and training lie at the heart of development efforts and that without HRD most interventions will be ineffective’ (ibid, 3).

Some of these prescriptive definitions of capacity building are primarily intended as a model or approach towards effective HRM/D in developed countries, which organizations often refer to as ‘learning and development’. However, the application of the concept in developing country contexts is more complex. Most of the aid-supported capacity-building efforts in developing countries are usually part of more complex agendas of development agencies, which ‘make aid conditional on political and administrative reform or even transfer of cultural aspects and values’ (Stokke 1996: 74-75). This leads to the dilemmas which many development researchers and consultants face in identifying meaningful and effective capacity-building interventions in the public administration systems of developing countries. Concerns over how we measure the impact of aid-supported capacity building and the outcomes of learning as an approach to policy transfer and what improvements should be made are widely reflected in the literature today (Evans 2004, Foster 2004).

Let us start by a treatment of two sets of prevailing views in the literature. The first suggests that prescriptive ‘good practice’ models usually developed in western countries, and in particular in English-speaking countries, have nothing to offer to other countries (and that organizations there should invent their own models from scratch) (McCourt and Eldridge 2003). The opposite view maintains that there are universal models of good practice which we can take off the shelf and apply essentially unaltered in every country and every kind of organization (ibid). In a climate of tension arising from the debate over

\(^7\) See discussion in 1.6.2
the two opposing views and at a time when aid as affecting the capacity building of institutions in developing countries is receiving increasing criticism, this research builds on the premise that the task of capacity building experts in studying the feasibility of good practice for public administrations of developing countries is more complex than ever.

From a methodological perspective, Lusthaus et al (1999) have categorized the schools of thought on capacity building into a taxonomy of four different approaches, which include: a) organizational approach (building capacity at the level of individual organizations; b) the institutional approach (processes and rules that govern socio-economic and political organization in the society at large); c) systems approach (interdependencies among social actors; and d) participatory approach (ownership of and participation in capacity building processes). However, to re-emphasize, this research takes on board a development policy rather than an organisational management approach, looking at how international aid has affected the process of capacity building within an administrative reform policy context.

Indeed, there is a lot of ambiguity and very little agreement in either the development literature and practice of the definition of concepts such as ‘capacity’ and ‘capacity building’ as well as on what constitutes ‘good practice’ in capacity building. That in itself has translated into difficulties in identifying clear capacity ‘gaps’ and ‘success criteria’ for measuring the effects of capacity building programmes in development. Therefore, it is important to look at such concepts critically. For one thing, an explanation for the partial or complete failure of most projects oriented to developing capacity in the ‘80s and ‘90s can be ascribed to the lack of clear and sound frameworks and tools to assess capacity and the success of capacity-building interventions (Mizrahi 2004). Besides, as ‘capacity’ is broadly seen as ‘potential to perform’, further development of tools and measurements are of critical importance as they are adopted as a way of formulating what capacities exist or need to be further developed in development interventions (Lavergne 2005).

As was the case of the literature on aid and its impact on development, it appears that the key issue in the assessment of capacity and capacity building in development co-operation is based upon formal RBM/project-based logical framework approaches (ECDPM 2008). Public sector capacity-building interventions seem to be the most problematic as regards the application and measurement of such approaches and frameworks. It has been argued that the results of capacity-building efforts in the public sectors of developing countries have been disappointing because of certain causal factors. Some of them relate to their
problematic political and institutional environments; some relate to the way donors themselves apply frameworks, motivated primarily by their own obligation of accountability for the use of resources to establish the cost-effectiveness and justify the impact of aid-supported capacity-building interventions (Hilderbrand & Grindle, 1997). The civil society world and NGOs seem to be more advanced in this regard as their processes appear to be internally driven and not propelled by the concerns of donors (Watson, 2005).

Besides, there are wide variations in the roles, ways and challenges donors adopt in designing and assessing progress in capacity building processes (ECDPM, 2008). For instance, a review of USAID capacity-building interventions in the health sector has demonstrated a general reluctance amongst agencies in recipient counties to quantify the results of capacity measures recommended (Brown et al., 2001). Ostrom et al. (2002) have highlighted SIDA’s role in promoting incentives for stakeholder performance and sustainability of the benefits of capacity building initiatives in partner countries. More recently, the UNDP and SNV, for instance, have been able to apply a capacity building methodology to assess and enhance the quality of public service delivery at the local level in the SEE through three levels of enabling capacity: institutional, organizational and individual environment (UNDP, 2009). The PD itself notes a range of challenges to effective collaboration with recipient countries and their institutions in order to deliver support to the achievement of the MDGs, and makes a series of commitments to address them, some of which relate to capacity development (DAC, 2005).

The commonality of the approaches used by the development establishments is that their capacity-building impact assessment frameworks are oriented towards results-based quantitative indicators, which are often developed by donors themselves. Thus, the monitoring and evaluation (M&E) frameworks the donor organizations apply simply posit logical inter-relationships between input and activities, outputs and outcomes (Wheatley, 1999, WB, 2005b) rather than emphasise the process through which donors influence capacity building. However, recent practices in measuring the impact of capacity building initiatives in development co-operation point to a tendency towards new methodologies and frameworks, which are not primarily concerned with quantitative measurements or analysis. These frameworks focus on the interaction between stakeholders thus allowing

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8 Examples of the new frameworks for measuring the impact of capacity building in development interventions include: Action Aid’s Accountability Learning and Planning System (ALPS); The Most Significant Change (MSC) Technique and Outcome Mapping (OM)
beneficiaries to have a voice in creating consensus as to what represents qualitative improvements towards the achievement of broad developmental goals through capacity building. Nonetheless, while there is little evidence of donors reducing their reliance on formal RBM approaches (Watson 2005, ECDPM 2008), these frameworks are fairly new and their analysis is not well-consolidated either in the literature or in the development practice and as such, would not probably be appropriate for the purposes of this study.

2.3.2 Training and policy learning: development vs. management views

Capacity building (or development) usually includes training/education or organizational development (Lavergne 2001). However, to confine it to the above elements only would be to limit its scope. Besides, it is not only about human development but it also requires a great deal of awareness and sensitivity to issues such as political and public administration reform (Bolger 2000). In fact, the development practice has identified a wide range of possible roles and strategies that donors may adopt in designing capacity-building initiatives, some of which address the broader social, cultural or political/administrative milieu (Lavergne and Saxby 2001). Morgan (1998) has summarized those into: helping development actors at different levels to settle on clear strategic directions; helping to improve organizational capabilities and incentive systems; provision of opportunities for experimentation and learning through pilot projects and attention to systemic constraints on learning; promotion of innovative approaches for sharing of experiences within and across national boundaries; promotion of new technologies to extend the reach of information and dialogue as well helping to shape an enabling institutional environment.

In the light of contextual application of capacity building in organizations, we must identify certain elements of capacity building which will enable us to assess the role of aid on public service administrative capacity in the research context from a policy perspective. Thus, training as a development policy instrument rather than an element of HRM as treated in management science is selected as a key approach to capacity building. Training is a process which ‘encourages learning to take place through planned and directed routes within an organizational context adding value to both an individual’s personal performance and organizational objectives’ (McCourt & Eldridge, 2003: 237) and is indeed the most widespread form of capacity building in both developed and developing countries. However, ‘training is erroneously equated with capacity building as a convenient approach
to both developing countries and donors who finance much of it’ (McCourt and Minogue, 2001: 54). Besides, as noted earlier, capacity building per se is not limited to training. In fact, the latter is part of policy learning as the broadest form of development cooperation which includes training, technical assistance and other forms of learning and development targeted at the human development and capacity development needs in developing country contexts (Jacobs 1996, Evans 2004). In the broader context of this research, training is part of policy learning processes which target broader public management reforms supported by aid organizations such as the EC and the WB (Verheijen 2002, Reid 2010).

In essence, the above constitutes the development management view on training as an approach to capacity building. It is, however, fundamentally different from training as an organizational function, which strategic HRM literature analyses from an organizational management perspectives (Anthony et al 1996, Pfeffer 1998, Armstrong 2000). That strand of literature argues that training can have a significant impact on institutional capacity and in order to be effective, organizations need to link it to the organizational culture, management practices and communication networks (Grindle and Hilderbrand 1995). Drawing a parallel with these views, the development management literature argues that capacity building is rarely effective in an organizational vacuum especially as weaknesses of institutions in developing countries have been identified as key constraints to sustainable development (Riddell 2007). Thus, it has been maintained that training for public servants in those counties should concentrate on institutional rather than functional needs (McCourt and Sola 1999, Sanwal 2006). The implication that capacity undoubtedly affects institutional performance is a view which both the development and management literatures converge on, with clear relevance for this study.

2.3.3 The big picture: administrative capacity building for good governance

Capacity building as one of the most widespread forms of aid aiming at strengthening public institutions of developing countries has targeted a number of public sector HRM activities, not merely within an administrative reform context but rather as part of donor ‘good governance’ agenda (WB 2008). In fact, such orientation has been global, especially in the last decade. As McCourt and Minogue (2001:9) argue, ‘administrative reforms linked to good governance strategies are now increasingly finding realization in donor programmes’. ‘Good governance being synonymous with sound development management and the administrative capacity to implement policy reform’ now seems to be the modern
day ‘fashionable’ term used in most development initiatives (Burnell, 1997: 96). Still, the lack of a link between good governance and development outcome is evident and the policy world is becoming preoccupied with the limits of aid conditionality and challenges of getting ‘country ownership’ of aid-funded development effort (Booth 2011). Therefore, looking at the capacities of domestic institutions and understanding their constraints and the political context in which they operate in order to identify meaningful capacity-building interventions is of critical importance.

The development management literature, in particular, offers critical perspectives on international aid and its implications for institutional capacity development. Focusing on its limited impact especially on public service reform in developing countries, it tackles various issues concerning externally motivated reform including its legitimacy, efficiency and change process dynamics (Andrews 2009). Besides, it suggests that ‘well-designed aid can support effective public institutions and good governance by helping with learning, dissemination and implementation of new ideas on service provision’ (IBRD/WB 1998: 21-22). Where there is a demand for change, aid can make a big contribution, often through development projects, whose rationale must be to support reform of sector institutions and policies and demonstrate new ways of achieving development results (ibid).

However, training and policy learning as cross-cutting policy instruments for development assistance would not operate in a vacuum. Thus, they can be considered both as part of broader policy transfer towards administrative reform in transitional societies, where aid-supported policy learning has promoted the adoption of international doctrines such the NPM or ‘Neo-liberalism’) and the Weberian public administration/Wilsonian politics-administration dichotomy. Both of these emphasise the professionalization of bureaucracy as linked to its capacity to implement administrative reform (Biersteker 1992, Common 1998, WB 2008, Lee 2009, McCourt 2011). Policy transfer and its engagement with administrative reform doctrines will be discussed in detail in Chapter Three (see 3.4).

Based on the above discussion, this research study also builds upon another key assumption, that training targeted at public servants is a function of aid-supported policy learning to strengthen public institutions in developing countries. Thus, training and the

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9 The Weberian model of public administration (Weberianism)/Wilsonian dichotomy are based on a separation between politics and elected politicians on the one hand and administration and appointed administrators on the other (Minogue 2001)
broad spectrum of policy learning as development policy instruments are selected as key approaches to administrative capacity building and reform, the dependent variables influenced by international aid, which is the independent variable of the study. The mediating variables, through which the relationship between the two sets of variables is facilitated, are discussed in Chapter Three.

2.4 Conclusions

From both development management and political science perspectives, debates associated with aid and its politics are becoming increasingly sharp. They range from conventional ‘pro-aid’ views (rather than theories), supporting the ‘moral case for aid’ as an obligation and responsibility of the advanced and rich countries to assist developing and poor countries to ‘blanket criticisms’ claiming that aid may inhibit development that otherwise can be better achieved by the cessation of aid, at least as currently transferred (Friedman 1970, Krauss 1983 and Bauer 1985). However, the assumptions of the two opposing camps often remain in doubt as to date, no satisfactory cross-country research has been carried out to show conclusively that international aid is positively correlated or even contributes to development (Riddell 2007). As such, conventional aid theory is considered as old-fashioned and debates associated with it inconclusive, controversial and ambiguous. Yet, its underpinnings help to locate future arguments discussed in the empirical part of the study.

More recent debates on international aid have been paying more attention to the link between aid and development as influenced by factors such as political and social indigenous contexts and dynamics of the relationship between donors and recipients and beneficiaries, and most recently, governance within and among donor organizations. The literature has also been debating the implications of aid for reform and capacity building as part of the ‘good governance’ donor agendas today, which look at the centrality of public institutions as a potential constraint to ‘aid effectiveness’ (Booth 2011). Since the adoption of Paris Declaration in 2005, the OECD DAC has made a commitment to an ‘aid effectiveness’ agenda, which through a series of dimensions and specific indicators seeks to harmonize aid with country systems and strategies to ensure that donors and recipients hold each other accountable for their commitments (OECD 2010). The criticism that current aid effectiveness mechanisms hardly go beyond aid statistics is on the rise and taken on board by researchers and policy-makers concerned with such issues.
Capacity building or development, on the other hand, is a complex notion, which, in order to succeed, depends on other institutional and organizational factors especially in public sector settings. One reason the concept of capacity building is so complex is that it evolves from a wide range of approaches (Lavergne and Saxby 2001). Development practice, on the one hand, has identified a wide range of possible roles and strategies that donors may adopt in designing capacity building initiatives. Research, on the other, so far has not indicated any single model or set of approaches which is guaranteed to succeed in building capacity and improving performance (ECDPM 2008, DFID 2009). This makes determining the ‘criteria for success’ difficult. Thus, the results of capacity building in developing countries have been disappointing exactly because of the way donors apply formal results-based management frameworks in both the design and assessment of their capacity building (Watson 2005). Because there is an increased awareness of the importance of institutional capacity and public administration reform in developing country contexts, capacity-building interventions are a vital part of broader ‘good governance’ donor agendas. This study is broadly confined to training and policy learning as development policy instruments and as the most common approaches of aid-supported capacity building in the research context.

As discussed throughout this chapter, there appears be an agreement in the literature that aid as a form of policy transfer can potentially and positively impact administrative capacity (see 2.2.3). However, neither the views on aid and capacity building nor the current ‘aid effectiveness’ mechanisms suggest any rigorous, well-established frameworks for assign their impact on capacity building seen through a ‘policy’ lens rather than an ‘outcomes/RBM frameworks’ perspective. Indeed, based on the premise that this study investigates the process through which aid influences capacity building from a policy perspective, its attention has therefore shifted towards public policy as a domain where the interaction between the two variables is believed to be best understood. Thus, the discussion in Chapter Three will focus on the policy transfer literature leading up to an analysis of the Dolowitz and Marsh (1996) conceptual framework. The study draws upon this framework, adapting it to fit the objectives as well as its engagement with international reform doctrines in order to locate arguments, which will help to study the national politico-administrative context.
Chapter 3. POLICY TRANSFER AND ADMINISTRATIVE REFORM DOCTRINES

3.1 Introduction

As discussed in Chapter Two, there is an abundant body of literature on the role of international (aid) organizations in promoting development, successfully or unsuccessfully, and more specifically, as Common argues, ‘their unmistakable impact on public administration in developing countries’ (1998: 61). However, the same does not hold true of the limited literature on the link between aid and administrative capacity in developing country contexts. As noted earlier, the development management literature offers normative views on aid policy and politics rather than established theoretical frameworks for assessing its quality and impact on development. Besides, to re-iterate, the frameworks used by the development practice are outcomes rather than research-based, thus having limited coherence for policy development. Therefore, in order to establish the theoretical orientation of this study and deploy theory in illuminating the ‘role’ rather than ‘impact’ of international aid in administrative reform and capacity building in post-communist Albania from a policy perspective, theories from both established and cognate disciplinary areas including development management, political economy, organizational/institutional and, ultimately, policy studies were considered.

The focus of this chapter is to discuss the Dolowitz and Marsh (1996) ‘policy transfer’ framework, adapted for purposes of this study, in a way which places value on the key variables and the relationships between them and, most importantly, allowed its use as a strong tool in the analysis of the empirical data collected during the field research. The objective of the analysis of such a framework, the key actors and elements engaged in policy transfer as well as its merits and shortcomings is to justify and provide a rationale for its choice as appropriate for this research. Such an analysis has aided the process of identifying a number of mediating variables instrumental to constructing the outline of the empirical part of the study. The chapter also discusses the engagement of aid with administrative capacity and reform doctrines through policy transfer in various contexts, mainly in developing countries. To re-iterate, the approach that the research takes on is to recognize the flexibility advantage of the Dolowitz and Marsh (1996) policy transfer model and therefore adapt it to fit the research context.
3.2 Towards a Meaningful Conceptual Framework

In the challenging process of identifying the study’s conceptual framework (see Chapter One), certain criteria have been applied. They include the need for the framework to meet the standards of a scientific theory which is clear, internally consistent, open to falsifiable hypothesis and, most importantly, subject to a fair amount of recent conceptual development and/or empirical testing (Schlager 1999, Ostrom 2002). The process led to the identification of the ‘public policy’ domain and ‘policy transfer’ within it as more appropriate for the study. A criterion applied in the search has also been its breadth in scope, that is, its applicability to the policy processes in a variety of political systems including developing and transitional country settings. Besides, studying the interaction of the two key research variables through a unique ‘case study’, a post-communist country like Albania with relatively limited exposure to development practices has added to the complexity of the challenge. However, even though it is not the purpose of this study to develop a new theory, it must be recognized that the knowledge acquired through the process of identifying a reasonably established theoretical framework has been instrumental in both the purpose of this particular study and the research interests of its author.

To begin with, recognizing the merits of organizational studies and political economy as having a broad impact both on political science and on practical policy-making and helping to explain the public policy process (Dunleavy 1991, Hill 1997), institutional and public choice theories were initially considered. However, despite these merits, as critics have argued, a key shortfall of these theories is that they have ‘a distinctly economic sociology flavour’ (DiMaggio and Powell 1991: 11). More specifically, while public choice, on the one hand, cannot isolate economic from political aspects, thus seldom making clear implications for the design of public policy, institutional theory, on the other hand, is far too general and filled with contradictions (Frederickson and Wise 1977, Dixit 1996, Eggertsson 1997). However, without categorically rejecting the use of these theories as helping to carry out policy studies, their distinctions are blurred, and therefore, their use was considered less appropriate for the nature of this research study. Besides, the application of such theories often requires use of quantitative and mixed methods, which would not be consistent with the qualitative research methodology this study mostly identifies with (see Chapter Four).
From the wide spectrum of disciplines looked at, organizational management theory has been considered as an alternative arena especially in terms of its potential to inform the theoretical position when studying administration reform and related concepts such as capacity building. However, this research does not intend to study organizations per se, be they international or domestic, and their structures either from ‘micro-level’ perspectives as would be the case of organizational behaviour studies or from ‘macro-level’ strategic management ones, which look at issues such as aligning organizational strategy with management practices (Pfeffer 1998; McCourt and Eldridge 2003). To re-iterate, the research seeks to explore the role of international aid on administrative reform and capacity building in an aid recipient country, Albania, through a ‘policy’ rather than an ‘outcomes’ lens. Therefore, public policy has been considered as a more appropriate arena to draw on. The researcher took a broader look at theories of public policy-making and identified the Dolowitz and Marsh ‘policy transfer’ framework (1996) as a reliable, broad-in-scope and well-established framework, through a process which is detailed in the discussion below.

3.3 Policy Transfer: A Framework for Analysis

3.3.1 Policy Transfer as a form of (Public) Policy-Making

In recent years, there has been a growing body of literature within both political science and international studies that directly and indirectly uses, discusses and analyses the processes involved in lesson-drawing, policy convergence, policy diffusion and policy transfer (Dolowitz and Marsh 2000). Therefore, prior to analysing the policy transfer framework, it is worthwhile discussing such a framework and how it fits into the key theories surrounding policy studies as well as how it relates to various forms of policy-making. Thus, the objective of the discussion here is threefold. First, it introduces key classical and modern theories of the policy process. Secondly, the discussion of those theories leads to a more focused debate on how policy transfer and analogous forms of policy-making fit into the policy arena. Thirdly, the distinct advantages of the chosen theoretical framework are highlighted both from a literature perspective as well as in terms of their appropriateness for the research context. Even though it is not the purpose of this chapter to delve into policy studies theories, such discussion is important as it helps to highlight how an increasingly well-recognized framework such as ‘policy transfer’ fits into the broad and complex discipline of policy studies, the domain this study identifies with.
There is as many common uses of the word ‘policy’, defined as ‘a field of activity’ (for example, aid policy), policy as ‘a course of action’, policy as ‘a government decision’ or policy as ‘programme of activity’ (Hogwood and Gunn 1984: 11-19), as there are varying definitions of the terms ‘public policy’. Yet, one or two of those definitions stand out as brief and concise. The definition of Howlett and Ramesh (2003) is one of them. It defines ‘public policy’ as ‘a choice made by a government to undertake some course of action’. On the one hand, as Stone has argued, most definitions of public policy are premised on the ‘classical view’ of policy ‘as a result of a rational process, where policy is created in a fairly ordered sequence of stages’ (2001: 7). On the other hand, researchers are warned that in order for them to understand the staggering complexities of the policy process, knowledge of policy goals, actors and their perceptions as well as the given contexts is required (Sabatier 1999). Such arguments are very relevant to a study, which seeks to give weight to the interaction of domestic and external actors in policy transfer processes.

Among the most influential theoretical frameworks for understanding the policy process, the ‘stages heuristic’ framework (otherwise referred to as the ‘classical’ or the ‘textbook’ approach to policy) can be singled out. Originally designed by Jones (1970) and further elaborated by Anderson (1975), Brewer and deLeon (1983) and Howlett and Ramesh (2003) through the notion of the ‘policy cycle’, it divides the policy process into a series of stages. However, even though the framework served a useful purpose in the 1970s and early 1980s by stimulating some excellent research within specific stages particularly agenda setting and policy implementation (Pressman and Wildavsky 1973, Hjern and Hull 1982, Kingdon 1984), criticism of it over the last couple of decades has been on the rise. As Kay (2006) has put it, the classical view of policy cycle fails to embrace the complexity of the policy-making process and the reality that policy rarely, if ever, develops in a linear progression. Thus, it has been concluded that the framework has outlived its usefulness and needs to be replaced with better theoretical frameworks (Sabatier 1999). The view which this research embraces is that the issue with the classical view of public policy-making lies in its inadequate attention to the complexity of the context.

However, more promising theoretical frameworks that apply to public policy-making have been designed. Colebatch (1998) has provided an alternative to the classical view of policy,

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10 The ‘stages heuristic’ framework include: agenda setting (problem recognition), policy formulation (proposal of a solution), decision-making (choice of a solution), policy implementation (putting the solution into effect) and policy evaluation (monitoring results)
known as the ‘structured interaction model’, which recognizes that policy is an ongoing process with a range of participants with diverse understandings of a problem/situation and as such it is a process of negotiation and influence among them. More recently, fairly complex frameworks such as the institutional rational choice (IRC)\(^{11}\) and advocacy coalitions (AC) frameworks have been designed\(^{12}\). However, their main shortcoming is that they have focused on explaining policy processes within given political systems or sets of institutional arrangements (mainly in the US). From a review of these frameworks in the literature, the researcher’s argument is that, in addition to their limited applicability to certain contexts, these frameworks focus on political elites rather than public bureaucracies (public service) as key to the policy process.

Of the modern policy frameworks, the focus here is on concepts analogous to ‘policy transfer’. ‘Policy convergence’ defined as 'the tendency of societies, despite their unique cultures and ideologies, to grow more alike, to develop similarities in structures, processes and performances’ (Wilensky 1975; Bennett 1992b) and ‘lesson drawing’ defined as ‘drawing positive and negative lessons among countries and systems across time and space’ (Rose 1991), are two of them. However, the most relevant one seems to be the policy diffusion framework. The original argument, on which it is built, assumes that international policy is a function of both the characteristics of the specific political systems and a variety of diffusion processes (Berry and Berry 1990, 1992; Sabatier 1999). Thus, policy diffusion as a framework whereby ‘a management elite controls and spreads knowledge within an international policy culture thus leading to policy transfer’, was subsequently integrated with the literature on policy networks and their role in policy-making (Common 1998: 63, Mintrom and Vengari 1998). Within the political science literature, policy convergence, lesson drawing and diffusion, which as Hill argues ‘have deep roots in the sociological analysis of policy processes’ (2009: 67), all refer to the process termed ‘policy transfer’ (Dolowitz 2000). Despite the criticism that policy transfer processes are difficult to test empirically (Rose 1993), the researcher considers its key advantages in terms of the possibility of application to variation among countries or regions within the EU and the OECD political systems (Sabatier 1999: 10), its flexibility and its breadth in scope as having relevant implications for this research study (see also Table 1 under 3.3.3).

\(^{11}\) Institutional Rational Choice (IRC) is a framework focusing on how institutional rules alter the behavior of rational individuals motivated by material self-interest. Much of the literature on IRC focuses on rather specific sets of institutions such as Congress and administrative agencies in the US (Miller 1992)

\(^{12}\) Advocacy coalition framework (ACF) is a framework focusing on the interaction of advocacy coalitions consisting of actors from a variety of institutions who share a set of policy beliefs – within a policy subsystem (Sabatier and Jenkins-Smith 1993)
3.3.2 The Dolowitz and Marsh (1996) model: a structured analysis

3.3.2.1 Concepts and contexts

While the terminology and focus often vary, the studies that use policy transfer and its analogous concepts are all concerned with a similar process in which knowledge about policies, administrative arrangements, institutions and ideas in a political system (past or present) at one time and/or place is used in the policy-making arena in the development of policies, programmes, administrative arrangements and institutions in another (Dolowitz and Marsh 1996). Such concepts were originally explored within sociological analysis, which emphasizes the importance of the global environment in generating a range of legitimate policies that nation states adopt, which gradually become isomorphic (Dimaggio and Powell 1991). Thus, the three key driving forces of the process are: coercive (where nations are cajoled into policy transfer); normative (where interaction leads to transfer); and mimetic (where uncertainty leads to emulation or copying) (ibid). However, in the researcher’s view, despite the fact that authors such as Dimaggio and Powell did not address policy transfer per se in their writings mainly about institutions, their merit is that by using institutional theory to explain policy processes (Hill 2009), they provided a theoretical framework which helped to understand whether and how policy transfer occurs.

The conceptual framework of this study is adapted from the original Dolowitz and Marsh (1996) model, which is organized around a series of questions13. The overall aim of the discussion here is to analyse the key actors and elements as well as dynamics and degrees of transfer as established in the original framework through a debate about why/when policy actors engage in transfer. The discussion on the engagement of international aid organizations in policy transfer to developing countries through policy-oriented learning in support of administrative reform and capacity building (Peters 1997, Common 1998, Evans 2009) intends to strengthen the justification for the choice of the framework as appropriate for the study context14. The last part of the discussion summarizes the merits and limitations of policy transfer followed by a discussion on the rationale for its adaptation and selection of those elements from the original framework, which will help to analyse the engagement of the key variables with the framework and formulate the research questions.

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13 Those questions include: Who are the key actors involved in policy transfer? What is transferred? What are the different degrees of transfer and dynamics associated with the process? When and why do actors engage in policy transfer? What facilitates/restricts policy transfer?

14 See discussion in 3.4.1
The concept of ‘policy transfer’ is far from new. As Dolowitz and Marsh (1996) themselves argue, there is no doubt that policy transfer has always existed. In fact, ideas of a country drawing on other jurisdictions’ laws and experiences have been explored for a long time (Jacoby, 2000, 1-41). For instance, during the Hellenistic period, transfer played a role in the spread of ideas, policies and programmes across Europe and the Middle East (Hada 1959). Its applicability in modern times lies in the comparative policy analysis in the US, whereby theoreticians first became interested in the diffusion of policy innovations between particular states and cities (Walker 1969, Bulmer et al 2007). However, research into policy transfer underwent an exponential growth between the late 1990s and mid-2000s (Benson and Jordan 2011). Arguably, it is now in a more mature phase and commonly employed in the analysis of broader phenomena such as globalization and Europeanization (Ladi 2005) (see 3.4.5).

The concept and significance of policy transfer in policy-making seem be increasing in occurrence thus having high contemporary applicability both in developed and developing country contexts. As such, various authors have demonstrated how policy transfer has been utilized in areas such as policy learning and development of social policies in the UK, the US, Australia, Canada and Sweden (Common 2004; Evans 2004, 2009). In the context of the developing world, as countries from Azerbaijan to Zambia are turning to other countries in the development of national policies, programmes and institutions, the concept is becoming very popular (Dolowitz et al 1998). Increasingly, researchers are applying theoretical arguments related to policy transfer to empirical milieus including development assistance (Stone 2004, Benson and Jordan 2011). Most importantly, as Dolowitz and Marsh (2000: 38) have argued, ‘the rapid growth in communications of all types, when combined with the dramatic increase in the number of and role of international aid organizations has accelerated the process, thus highlighting the importance of the policy transfer processes in a variety of contexts globally’.

As Stone (2004) and Evans (2009) argue, the prevalence of policy transfer and diffusion processes has highlighted the role that particular institutions, such as (aid) organizations including the EU, the OECD and global financial institutions play as ‘transferors’ within the process. For examples, Haque (1996) maintains that, among international agencies, the WB, the USAID and the British ODA have clearly influenced Third World countries to adopt pro-market policies. Authors have also engaged in studying the concept of policy transfer through the lens of how the institutional legacies of former communist countries
of CEE such as Poland, Hungary and Czechoslovakia influenced different national outcomes when IMF attempted to impose neo-liberal policies on these countries as a condition for aid or loan guarantees (Campbell 1997). Within the Europeanization literature (see 3.4.5), the concept is used as one way to explain the policy convergence among member states (Radaelli 2003, Bulmer and Padgett 2004, Holzinger and Knill 2005).

Most significantly, policy transfer aids the researchers’ understanding of the policy-making process in that it helps them move beyond single country perspectives thus highlighting the importance of foreign models within the process (Dolowitz and Marsh 2000). Besides, by extending the focus of policy analysis beyond the above-described ‘classical’ model (thus factoring in the role of actors and dynamics of the policy-making process leading to policy ‘success’ or ‘failure’), policy transfer can illuminate the traditional policy-making. In doing so, as Hogwood and Gunn (1984) argue, policy transfer clearly increases the understanding of the several stages of the policy analysis process. In this context, those who have further developed the original policy transfer concept have labelled it ‘an important component of the wider toolbox of public policy analysis’ (Benson and Jordan 2011: 373). The merits and limitations of policy transfer are further discussed later in this chapter (see 3.3.3.).

Finally, the increase in both the occurrence of, and interest in policy transfer has led proponents of comparative politics, public policy, and development studies and organizational sociology to use the concept in their work (Dolowitz and Marsh 2000). Within an expanding literature analysing policy transfer and its contextual applications, the framework is now commonly applied within political and policy analysis studies, representing a distinct research focus (Marsh and Sharman 2009, Benson and Jordan 2011). Therefore, as Dolowitz and Marsh (1996, 2000) claim, given that policy-makers appear to be increasingly relying upon policy transfer, the concept is something that anyone interested in, or studying, public policy needs to consider. To re-iterate, most importantly for the context of this research, policy transfer provides a venue, in which to explore the engagement of international aid organizations with our research context (administrative reform and capacity development) from a policy process perspective.

3.3.2.2 Actors of Policy Transfer

As Dolowitz and Marsh (1999: 43) argue, ‘to understand why policy makers engage in policy transfer is not enough and, therefore one must identify the key people and groups
involved in the process.’ To this end, among the list of actors involved in the policy process, which have been identified from the classification of ‘categories of actors’ in the original framework, this research study focuses on a select sub-group of actors, as more relevant to the study. While all these actors serve as ‘catalysts’ or ‘facilitators’ in the transfer processes, two main groups of actors as established in the original policy transfer framework (Dolowitz and Marsh 1996) have been identified for purposes of this research. The fact that these two groups, as discussed below, are prioritized and given equal weight in the conceptual framework is, in itself, an added value which justifies their selection for this research study especially in terms of the interaction between international aid organizations and the Albanian public servants. More specifically, these groups represent:

(a) Public servants (bureaucrats)

A principal group engaged in policy transfer is ‘public servants’ or ‘bureaucrats’. In the policy transfer process, they represent a group as important as politicians in the development of policy and probably more important in policy implementation (Dolowitz and Marsh 2000). In fact, the role of bureaucracy in policy-making dates back to and is deeply rooted in Weber’s (1947) interpretations of the policy process as an organization process, where the policy process is dominated by those inside organizations, that is ‘state bureaucracies’. However, Weber himself recognized the controversy around bureaucracies in that while they offer an efficient way of organizing administration, they somewhat allow for power being vested in officials, who may be accountable neither to the public nor to politicians (ibid). Subsequently, both organizational theory and key theories of state (such as public choice) have been concerned with the role of the bureaucratic power in the policy process (Hill 1997). New institutionalism, for instance, which rose in the 1980s after critiquing the neglect of the study of state institutions by older institutional studies, emphasized the need to ‘bring the state back in’, thus placing it at the centre of its analysis (Evans et al 1985, John 1998, Hill 2009). Today, the role of bureaucracies in policy-making is widely recognized both in domestic and global contexts. Hence, studying the role of public servants in policy-oriented learning processes is important. Besides, ‘because almost every agency of modern government has a stake in some aspects of international relations, which often enables public servants to directly communicate with counterparts such as ‘foreign’

15 According to the Dolowitz and Marsh’s (1996, 2000) classification, policy transfer actors can be classified into 9 categories: elected officials; bureaucrats and civil servants; policy entrepreneurs and experts; consultants; political parties; pressure groups; think tanks; corporations and both governmental and non-governmental international organizations (Dolowitz and Marsh 1996, 2000)
policy makers, policy research today, based on the perspectives of the former, is dependable because the latter often convey a ‘sanitized’ version of the reality’ (Haas 1990: 357). The process provides them with the knowledge and resources necessary to transfer policy (ibid). In developing country contexts, the role of bureaucracies as well as governing elites is particularly essential with regard to one specific aspect, that of administrative reform. For example, while organizations such as the EU can act as ‘policy transferor’ by requiring bureaucracies of governments of member states (as well as candidate and as potential candidate countries like Albania) to adapt their reform policy to match EU regulations and obligations, the role of public servants (or bureaucrats) is essential during the stages of the reform implementation process (Dolowitz and Marsh 1996, 2000). In this research, where the role of aid is viewed through the lens of recipients rather than through aid organizations only, ‘public servants’ constitute a key group of research informants.

(b) International (aid) organizations

The Dolowitz and Marsh (1999) policy transfer framework locates international organizations (or, donor/aid organizations) as referred to in developing country contexts) along with a range of actors including bureaucrats/public servants as potential agents of policy transfer. However, they also argue that most of the latter are involved in policy transfer, particularly transfer based on (aid) conditionality for different reasons (ibid). Some of them provide aid to spread coordination of ideas and policies across the globe while some others, such as the OECD, use it as a policy instrument to familiarize developing countries with ‘Western practices’, thus pushing neo-liberal policy agenda, especially in the areas of economic and administrative reform (WB 2008, Evans 2009). In the context of C/SEE, in addition to the EU, the OECD and the WB have been using international conventions and protocols as vehicles for the diffusion of potentially isomorphic sets of norms regarding the appropriate or legitimate way to organize post-communist public service systems (Campbell 1997, Hardiman and MacCarthaigh 2008). Other international organizations such as the UN (and its specialized agencies) ‘apply more agenda- and standards-setting functions globally’ (Senti 1997: 2). However, as discussed in Chapter Two, the increasing use of the concept of ‘good governance’ in the activities of international aid organizations indicates that ‘there is clearly a shift in emphasis from economic to political management in affecting policy outcomes in developing countries’ (Common 1998: 67). In this context, international organizations appear to be increasingly instrumental in establishing a link between modernization (of public administration) and
democratization (good governance) in those countries (ibid). Thus, the OECD and the Bretton Woods Institutions (BWIs) have been instrumental in the diffusion of administrative reform policy transfers through policy learning even though the rate at which countries engage in and adapt in the process varies (Peters 1997, Evans 2009). Hence, the fact that the policy transfer framework places them as key actors of the process has clearly implications for why both development policy-makers and practitioners representing international aid organizations constitute an equally important group of research participants. Chapter Four will provide a more detailed description of aid organizations participating in this study.

(c) A broader spectrum of actors

As discussed earlier, the spectrum of actors involved in the policy transfer process is broad and includes non-state actors, whose role is important for the ‘softer’ transfer of policy through ideas, ideologies and concepts, which circulate freely among such actors under conditions of greater globalization (Evans 2004, Stone 2004, Benson and Jordan 2011). Thus, in addition to public servants and international organizations, policy networks, interest groups, think-tanks and international and national NGOs can also be instrumental to policy transfer. They have otherwise been referred to as ‘policy or epistemic communities’ (Stone 1996, Peters and van Nispen 1998). As institutions whose main concern is to influence the development of public policy, these groups ‘enjoy access and institutionalized relationships to both government officials and international networks’ (Dolowitz and Marsh 1999: 21). Besides, they are also important in the policy transfer process because their ideas are often presented as the basis and justification for generating and disseminating new policies, in whose formulation and implementation they are also involved (Sabatier 1987, Stone 1996). Because of their engagement with international aid organizations and the fact that ‘the most popular administrative reforms within OECD counties have been participatory’ (Evans 2009: 253), it is important to look at their increasingly important role in facilitating policy learning and disseminating notions of ‘best practice’ on behalf of aid organizations as ‘compelling evidence of the internationalization of policy paradigms’ (Dunleavy and Hood 1994, Hood 1995, Evans 2009: 253).

However, it must be stressed that while ‘public servants’ and ‘international aid organizations’, as identified in the policy transfer framework, have been selected as key

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16 Bretton Woods Institutions represent the World Bank and International Monetary Fund
actors of policy transfer or agents facilitating the dynamics of relationship(s) between international aid and capacity building (as independent and dependant variables) and other mediating variables (identified below as elements of transfer), studying the role of ‘other actors’ involved in policy-making including those described above is not the objective of this research study. Rather, the purpose is to discuss their role as representatives of the public interest and catalysts in the implementation of aid-supported public service capacity building and reform policies both theoretically and empirically. Besides, while the Dolowitz and Marsh (1996) model itself prioritizes the influence of international organizations as the most popular of all actors in the policy transfer process (Benson and Jordan 2011), the discussion under 3.4 should sufficiently illustrate their engagement with administrative reform and capacity building in developing country contexts. This indeed reflects the basis of the rationale for why ‘public servants’ and ‘international aid organizations’ have been selected from the policy transfer framework as the most significant categories of actors for purposes of this research study.

3.3.2.3   Elements of policy transfer

The aim of this section is provide and interpret the answer to a key question that Dolowitz and Marsh (1996) have addressed in the development of the ‘policy transfer’ theoretical framework: ‘What is transferred (in the policy-making process)?’ (see fn 13). As noted earlier, the analysis of the categories of elements of policy transfer as established in the Dolowitz and Marsh model is important as it serves a dual purpose. First, it has guided the process of formulating the research questions. Secondly, the analysis of these elements has been essential in constructing the outline of the empirical part of the study.

The Dolowitz and Marsh (1996) framework identifies three categories of elements involved in policy transfer which, in theory, could be transferred. They include policies and programmes; institutions and mechanisms and a third category consisting of ideologies, concepts, attitudes and (negative) lessons. Based on earlier arguments demonstrating that international policy transfer is occurring on a regular basis, thus impacting on the development of policies, programmes, institutions and mechanisms in a variety of countries while the third category is hardly addressed as less significant in policy learning and transfer processes (Dolowitz and Marsh 2000, Evans 2004), this study focuses on the first two categories. The rationale for the research choice to focus on the latter is that they are more relevant especially in terms of their relationship to the identified independent and dependent research variables
(see Chapter Two). However, this is not to suggest that concepts, ideologies and attitudes are not transferred or are ‘less important’ in the transfer process. Nor does this research question the importance of aid organizations in their transfer. Rather, studying that specific category is not the objective of this study.

Thus, the two categories that apply to this research study are discussed below.

(a) Policies and programmes

The Dolowitz and Marsh (1996) framework clearly demonstrates that one of the first things that actors such as international organizations can transfer to another system is public policy via instruments such as programmes and projects. Drawing a distinction between policies, which are generally seen as broad statements of intentions representing the direction in which policy makers wish to go and programmes/projects as specific means or courses of action used to implement policies (Pressman and Wildavsky 1973), Dolowitz and Marsh (2000) argue that, in the process of policy transfer, policies and programmes are the most important category. Besides, as Evans (2004: 221) argues, it is more likely that actors of transfer such as policy-makers in international aid organizations will transfer ‘policies and programmes as more remarkable forms of transfer compared to soft transfers, ideas, concepts and attitudes’.

(b) Institutions and mechanisms

The institutions and mechanisms used to implement policy can also be transferred, although this is not as straightforward or easy as transfer of policies through instruments such as programmes and projects (Dolowitz and Marsh 2000). Institutions as central to contemporary social science and traditionally associated with disciplines such as organizational theory and analysis are increasing becoming an attraction to policy-makers and analysts (Kay 2006: 12). In fact, the acceptance of the importance of institutions as central to contemporary social science theory for public policy-making and analysis is indeed one of the few genuine cross-disciplinary agreements (ibid). In the context of policy studies, examples of institutions could include procedures and agencies for policy monitoring and evaluation. Specialized agencies of international organizations, for instance, can also act as institutions and mechanisms that increase the flow of knowledge in given policy areas (Wallace 1996). It must also be emphasized that, while the initial framework developed by Dolowitz and Marsh (1999) primarily focuses on institutional mechanisms
and structures, ‘the focus of the current policy transfer research has expanded well beyond such traditional elements of policy to include other policy mechanisms such policy goals, structures and instruments’ (Benson and Jordan 2011: 370).

3.3.2.4 Forms and Degrees of Policy Transfer

Dolowitz and Marsh (1996) argue that while policy transfer involves a combination of actors and elements, there are basically four forms of transfer through policy learning, in which policy-makers rationally and intentionally can adopt a policy, programme or institution based on a model transferred from another setting (Rose 1993, Dolowitz and Marsh 1996, 2000; Evans 2009). The policy transfer literature labels this as ‘voluntary transfer’, often synonymised with ‘lesson-drawing’, and identifies mechanisms of diffusion assuming that ‘policy actors desire a change thus engaging in search activities and examination of policies implemented elsewhere for their potential utilization within their system’ (Dolowitz and Marsh 2000: 12-14). It focuses almost exclusively on policy transfer between developed countries (Rose 1993, Evans 2009). Coercive transfer, on the contrary, reflected as a form of policy transfer in developing countries occurs when actors of policy transfer are forced into action, or more directly, when one government or international agency forces another government to adopt a policy (ibid).

However, the explanatory power of the Dolowitz and Marsh (1996) framework derives from regarding the interaction of actors engaged in the policy transfer process through what has been labelled as the ‘policy transfer continuum’ (Figure 1) with ‘voluntary’ and ‘coercive’ transfer located at each end. Such a continuum has been designed by Dolowitz and Marsh (1996) to enable researchers to think systematically about types and processes involved in policy transfer. Thus, at the purely voluntary end of the continuum is ‘lesson drawing’. Nearer the purely coercive end of the continuum (direct coercive policy transfer) can be identified cases in which ‘international aid agencies, through direct imposition, are able to compel governments of developing countries to adopt programmes or policies as condition for aid’ (Dolowitz and Marsh 1996: 15). This is defined as conditional policy transfer. Thus, those agencies often force Western economic and social policies upon third world and post-communist governments as a condition for aid (Campbell 1997).

17 The forms of policy transfer as defined by Rose (1993) include: copying (that is, enacting a more or less intact programme already in effect elsewhere); adaptation (adjusting for contextual difference); ‘hybridizations’ (which consists of combining elements or programmes from two or more settings) and ‘inspiration’ (that is, using programmes elsewhere as an intellectual stimulus to develop a new programme in the receiving country or region).
Governments can also be forced into adopting programmes/policies as part of their obligations as members of various international organizations and accords (ibid). Between the two extreme ends of the continuum, as illustrated in Figure 1 (below), there is the ‘middle ground’ category, which combines element of both voluntary and coercive elements and illustrates varying degree of coercion such as obligated or negotiated policy transfer. Dolowitz and Marsh (2000) themselves warn that it is generally very difficult for researchers to establish the influence and degree of transfer of certain policies and programmes from a given setting to another without the use of intensive interviewing.

Figure 1: From Lesson Drawing to Coercive Transfer

![Diagram showing the continuum between lesson drawing and coercive transfer](image)

Besides, while most studies of policy transfer concentrate upon success, the significance of the Dolowitz and Marsh (1996) model is that it acknowledges that not all transfer is successful and some of it may lead to failure. According to them, while policy transfer may shape policy change, it may also lead to ‘implementation’ failure due to the lack of compatibility between transferring countries or what they describe as ‘uninformed’, ‘incomplete’ or ‘inappropriate’ transfer (May 1992, Bennett 1992b, Evan and Davies 1999). Various authors have further developed and provided significant additional weight to the above arguments by pointing to three contextual factors that may lead to policy failure. For them, ‘policy transfer failure may occur when the recipient country may have either insufficient information about the policy/institution in the country from the where the policy is transferred (uninformed transfer); when insufficient attention is paid to social, economic and political differences between the ‘recipient’ and ‘transferring’ countries (inappropriate transfer); or when the ‘recipient’ country does not have sufficient resources to adopt crucial elements of the transfer process (incomplete transfer) (James and Lodge 2003: 188; Benson and Jordan 2011: 372). These interpretations have been useful in the discussion of the externally vs. internally motivated nature of administrative reform and capacity building in the Albanian context (Chapter Eight).

3.3.2.5 Facilitators and constraints of policy transfer

The discussion over the dynamics of policy transfer – be it voluntary or coercive - would be insufficient without exploring other variables, which can either facilitate or restrict the policy transfer process. In their analysis, Dolowitz and Marsh (1996) have placed emphasis on an important factor that needs to be considered in the policy transfer process: the different political motivations of policy actors. For them, the latter often need to legitimize or justify decisions for the development of certain policies, which may be interpreted as a catalyst for why they appear to engage in transfer. In their interpretation of where a case falls upon the continuum (Figure 1), ‘it is important to understand that if policy transfer is undertaken during periods of social, political stability within a nation different actors have different motivations, then such transfer is likely to be voluntary; if there is some form of political crisis, then transfer is likely to have some coercive elements’ (Dolowitz and Marsh 2000: 17). In relation to administrative reform, policy transfer ‘may also help political leaders bolster wider political support but the symbolic effect of transfer may be of greater value’ (Common 1998: 72).

If we accept the above arguments, then it is necessary to account for both policy incentives behind conditions and prescriptions of aid organizations as well as the specificity and internal dynamics of the national context (political and bureaucratic culture), which may be capable of modifying transferred policies and programmes, thus determining the success of policy transfer (Heald 1992, Common 1998, Pollitt and Bouckaert 2004). In Common’s view, ‘for policy transfer to occur, the aspirations of the recipient country have to match those of the donor and if those (in addition to the context) are not taken into account, policy transfer becomes a major cause of policy failure’ (1998: 63-71). Contextual factors such as ‘facilitators’ or ‘constraints’ of transfer have been analysed in the literature and other factors including path dependency, implementation, the uniqueness of the national culture were shown to be significant (Page 2000, Evans 2009; Benson and Jordan 2011).

Various authors have discussed contextual factors through perspectives, which point to more inherent problems with transfer, especially when the economic, institutional and cultural environment does not respond well to the policy transfer process (Peters 1997). Thus, Haque (1996) and Farazmand (1994) draw attention to transfer as related administrative reform based on internalized Western knowledge, values and norms thus externalizing indigenous cultural and institutional systems in developing country contexts.
In their view, this creates dependency of developing nations on the West and is likely to lead to a “neo-colonization” of those nations (ibid). The national context has been highlighted as essential to policy transfer in other non-public settings as well. Thus, it has been used to explore the dynamics of transfer in comparative management studies. For example, in looking at the diffusion of the American model of capitalism, the Marshall Plan and its role in shaping the rules of governing business in post-World War II Europe, national cultures are seen as a source of persistent differences across countries while institutional legacies are sets of constraints which create path dependencies and limit change opportunities (Whitley 1994; Djelic 1998, 2001).

The policy literature suggests a number of other variables including policy complexity and feasibility, resource similarities, authoritative coercion, presence of power relations and disputes in values/interests as well as other non-negligible factors such as language in the category of constraints/facilitators affecting the policy (transfer) process (Sabatier 1993; Dolowitz and Marsh 2000). While treating all of the above as mediating variables would be unrealistic, the research analyses the national context, drawing on both the Dolowitz and Marsh (1996) multi-level approach to studying policy transfer and Pollitt and Bouckaert (2004) interpretations of the politico-administrative culture, after a discussion of the merits and limitations of policy transfer below (see 3.4.3).

3.3.3 Merits and limitations of Policy Transfer

Theoretical views on its merits and limitations vary considerably. Whilst acknowledging that policy transfer is not the sole explanation of any or most policy, its proponents claim that the most important merit of policy transfer is that it has become increasingly an influential way of studying public policy thus forming an important part of the theoretical basis of governance programmes worldwide (Dolowitz and Marsh 1996). As discussed earlier, its analysis of a variety of contexts and the world of practice ‘to make sense of the cross-cultural transfer of knowledge about institutions and policies’ in both OECD and non-OECD countries is increasingly being recognized as an asset in both development and public management literatures (Burton 2006, Evans 2009: 238).

Most importantly, policy transfer is increasingly becoming an appropriate area to study because ‘it is a critical variable in the failure of an increasing number of international policies, programmes and institutions partly due to differences in social, cultural and
institutional settings’ (Dolowitz and Marsh 2000: 6). The framework also allows for the
dynamics of the power relations in support of or opposition to externally imposed policies
to be examined (James and Lodge 2003). Besides, since its inception, policy transfer has
been extensively employed to classify and explain a multitude of processes within and
between political contexts and now represents a distinct research focus (Marsh and
Sharman 2009, Benson and Jordan 2011). Moreover, the significance of the policy transfer
is that it represents ‘a useful concept that transfers easily across different sub-disciplines
and analytical contexts’ (Benson and Jordan 2011: 375).

Most significantly for the context of this research which focuses on the ‘process’ rather the
‘outcomes’ of how aid policy influences the public service reform and capacity
development in the given context, the ‘policy transfer’ framework is considered as the most
appropriate for various reasons. First of all, unlike most of the traditional or even more
recent policy frameworks (see 3.2), policy transfer allows for a detailed treatment of the
national context, key actors that shape the policy making and the interaction among them
as well as causes of potential policy ‘failure’ rather than simply assuming that policy-making
leads to ‘success’ only. Based on all the above, the key characteristics/advantages of the
Dolowitz and Marsh (1996) policy transfer framework are summarized below (Table 1) as
compared to frameworks applied both within public policy and across other disciplines
such as development management, organizational studies, and political science.

Table 1: Key characteristics/advantages of the policy transfer framework

<table>
<thead>
<tr>
<th>Dolowitz and Marsh ‘policy transfer’ framework (as a form of policy-making)</th>
<th>Frameworks/theories/models from both policy studies and other disciplines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Its focus is on the policy process (rather than outcomes) usually through a research-based analysis</td>
<td>Their focus is on RBM frameworks usually based on quantitative measures (e.g., development management)</td>
</tr>
<tr>
<td>It places the policy transfer process within a broader conceptual framework.</td>
<td>Their focus is on how processes influence outcomes (e.g., organizational studies)</td>
</tr>
<tr>
<td>It gives equal weight to both research variables (aid and public service capacity development) through a process, with specific elements, actors and degrees.</td>
<td>They describe the transfer of ideas/policies between countries but do not identify, analyze and explain multiple processes involved with diffusion processes (e.g., political science)</td>
</tr>
<tr>
<td>Policy transfer can be both ‘voluntary’ and ‘coercive’ and as such, may lead to policy ‘success’ or ‘failure’.</td>
<td>They are based on implicit assumptions that transfer ‘rational and voluntary’ and lead to ‘success’ (e.g., lesson drawing)</td>
</tr>
<tr>
<td>The focus is on context and dynamics of interaction between actors involves in the policy process</td>
<td>They view the policy as a linear process (e.g., the classical, stages-heuristic view of policy-making)</td>
</tr>
<tr>
<td>Increasing employed in and across different types of governance analysis both in domestic and international development assistance contexts</td>
<td>Mostly applicable to domestic contexts (e.g., most recent frameworks apply to policy-making in industrialized countries such as the US, UK, etc.)</td>
</tr>
</tbody>
</table>

However, certain limitations of the policy transfer must be noted, both in terms of its
applications to public policy and to the research study. First of all, despite the fact that
Dolowitz and Marsh (1996) draw on a wide range of authors who examine the spread of policies and learning processes, their definition of policy transfer has been considered too broad (Evan and Davies 1999). Besides, critics argue that policy transfer is under-theorized and as such, it still fails to offer rigorous tools for evaluating whether transfer has occurred or not (Page 2000) thus questioning its contribution to theory development. Finally, ‘distinctive measures cannot be derived from policy transfer exactly because of its breadth, which makes it difficult to disentangle it from other forms of rational policy-making, focusing more directly on how processes influence outcomes, even though those are interrelated’ (James and Lodge 2003: 183-198).

Even though a good part of the analysis of policy transfer examines the relationship between ‘policy transfer’ and policy ‘success’ or ‘failure’, such analysis only goes a certain way in explaining the dynamics of this relationship. Acknowledging the considerable problems in identifying what constitutes policy ‘success’ or ‘failure’ and in developing distinct measurements to assess its impact on policy-making, those who have used the framework for analysis have restricted themselves to the extent to which policy transfer is perceived as a success or failure by the key actors involved in the policy transfer process (Dolowitz and Marsh 2000). As Boverns and ‘tHart (1998) have argued, future research needs to acknowledge and address this problem. In this study, it is through the multiple perceptions of the research informants (policy actors) that an attempt is made to assess the ‘success’ and/or ‘failure’ of aid-supported administrative reform and capacity building. However, this would not be synonymous with developing measurements to assess such ‘success’ or ‘failure’, which is not within the purview of the objectives of this study.

### 3.4 Engagement of policy transfer with administrative reform doctrines

#### 3.4.1 International (aid) organizations and policy transfer and learning

By way of re-iteration, based on the premise that this study investigates the process through which aid organizations influence administrative reform and capacity building from a ‘policy’ rather than ‘outcomes’ perspective, the attention of the literature review shifted towards public policy as the domain where the interaction between the two variables is believed to be best understood. To this end, the discussion below intends to reinforce the argument that aid organizations have been key to the internationalization of doctrines such as the NPM and the Weberian public administration as global paradigms for administrative reform (Peters 1997). In particular, an examination of the increasing role of
international organizations in the modernization of public management in developing countries within the contours of globalization and good governance confirms that policy transfer has specifically aided diffusion of administrative reform in developing countries (Dolowitz and Marsh 1996, 2000). Thus, policy transfer has been particularly useful in that ‘it ascribes to an international policy culture which diffuses knowledge and information from ‘affluent’ societies to both political and administrative elites in developing counties thus forcing public sector managers to think internationally’ (Common 1998: 63).

The impact of policy transfer on the internationalization of public management can be assessed in terms of the relationship between modernization and globalization. Thus, the pressure to modernize their public sectors appears to force national governments into policy transfer activity and international organizations offer ‘exemplars’ and ‘best practices’ to policy-makers (Giddens 1990, Common 1998). As discussed in Chapter Two, a similar argument holds true for most developing countries whereby modernization of their public sectors is often part of ‘good governance’ promoted by donors (Przeworski and Limongi 1997). The use of the concept of ‘good governance’ by aid organizations engaging in policy transfer was a common theme especially in the 1990s when public organizations in developing countries seemed to be ineffective and lacking administrative capacities, which are deemed essential for their economic growth’ (WB 1991: xi, 3). In the transition states of CEE, the WB and the EC were particularly influential in providing policy advice on reform issues and establishing a link between modernization and democratization processes in the region (Kaufmann 2007, Demmke and Moilanen 2010, Politt and Bouckaert 2011).

In essence, the purpose of this discussion is to provide examples of the engagement of (aid) organizations such as the OECD, the EU and BWIs in administrative reform through policy transfer and learning both in post-communist countries and globally. The discussion reinforces the argument that transfer can be ‘voluntary’, ‘coercive’ or fall within the ‘middle ground’ area. Thus, Moran and Wood (1996) have demonstrated how the OECD, for instance, facilitates policy learning through a voluntary process. In their interpretation, the activities and networks which it (OECD) supports aim at drawing clear lessons in the immense field of public management practices thus attempting to blend the advantages of a market economy with the proven virtues of traditional public administration (OECD 1993). Elaborating on the role of the organization in the policy transfer process, other authors such as Luard (1990: 149) have described the OECD as ‘an organization, which functions on the principle that it can only propose policies but cannot impose them’. The
key assumption made is that ‘policy learning and its transfer from the OECD to member states is voluntary rather than enforced’ (Common 1998: 62).

The EU represents another interesting case to explore in terms of the degree of policy transfer it uses in its activities, especially with regard to administrative reform in EU member or candidate states. In this context, the original proponents of policy transfer have located the EU somewhere in the ‘middle ground’ area of the ‘voluntary’ versus ‘coercive’ transfer spectrum by arguing that by promoting comparison where members learn best practice from each-other, the EU can act as policy ‘pusher’ (Dolowitz and Marsh 1999; Rose 1993). However, most recently, authors such as Evans (2009) and Stone (2010) tend to locate the EU towards the ‘coercive’ end of the spectrum. Bulmer (2007) has further developed this argument through his interpretations of the EU’s notion of ‘conditionality’. They have associated coercive policy transfer with the activities of powerful states and/or organizations such as the EU and its agencies when they seek to impose their policies on government and agencies in ‘candidate’ and potential candidate countries as conditionality for aid and/or accession into the EU. The discussion in 3.4.5 will specifically focus on the EU conditionality mechanisms as discussed in the Europeanization theory, which this research also draws upon.

The WB represents a slightly more complex case for analysis when it comes to the dynamics of ‘voluntary’ versus ‘coercive’ policy transfer. In the 1980s, the introduction of ‘structural adjustment’ policies and programmes, which focused on improvements in overall public sector management and institutions reflected in the Bank’s loan conditions, clearly attest to its coercive approach to policy transfer. As a 1991 WB report cites ‘such programmes emphasized better financial management and accountability as well as strengthening of public personnel and improvement of the efficiency and effectiveness of the public agencies in developing counties’ (WB 1991: x). The Bank has achieved these aims through the use of technical assistance supplied by specially recruited personnel or by Bank staff themselves, training, and policy studies through the Bank’s analytical and sector work (ibid). However, in a less coercive approach to policy transfer, while the message of the WB to the developing world (especially to post-communist countries in the 1990’s was ‘privatization’ as a more useful public policy, the key theme of the WB prescription today is good governance though improvement of policy-making and administrative capacity of governments (Common 1998: 67-68). As the findings will reveal (Chapters Six and Seven,
it is through its good governance approach that the WB has become a lead actor in aid-supported public administration reform especially in the last two decades (WB 2007).

The IMF, on the other hand, which typically associates its development aid with conditionality for loans, has been located towards the ‘coercive’ end of the policy transfer spectrum. However, in their analysis of the degrees of transfer the IMF applies, mainly fitting in with ‘adaptation’ as described above, Dolowitz and Marsh (2000) have demonstrated that there are elements of ‘voluntary transfer’ in the way the organization transfers policy. In their arguments, although the IMF often imposes policies upon developing nations before granting loans to them, it is often the case that the receiving nation is able to alter these policies to fit existing institutional structures and prevailing conditions during the implementation stage (ibid). They go on to argue that, for example, ‘post-communist governments, which had accepted the model of neo-liberalism presented by the IMF, consistently adapted the programmes the IMF was pushing to fit their particular situation’ (Dolowitz and Marsh 2000: 52-53).

However, to better understand the engagement of international aid organisations with administrative reform doctrines through policy transfer, let us first start by taking a closer look at the doctrines themselves, that is NPM, Weberianism and the New Weberian State.

### 3.4.2 NPM, Weberianism and New Weberian State (NWS)

The discussion in this section builds upon the premise that international aid organizations such as the OECD, the EC and the WB have been instrumental in policy transfer and learning through global administrative reform doctrines such as the NPM (Wright 1994, Peters 1997, Common 1998). Following ‘the golden age of planning of the 1960s and 1970s’ (Pollitt and Bouckaert 2004: 9), NPM itself emerged in the early 1980s as a more business-like approach to public sector management whereby the latter could benefit from importation of concepts, techniques and values applied in the business sector (Hood 1991, Drechsler 2003). This tendency continued through the early 1990s leading to a general direction in public sector reform mainly in the UK, the USA, Australia and New Zealand. Thus, NPM-type reforms ‘as driven by policy transfer activity initially gained international appeal’ (Common 1998: 143). In the Western Europe and OECD countries, its ‘success’ lay in both its role in the significant changes public bureaucracies have undergone in recent years and its ability to ‘offer a means of wedding administrative reform with both
participative democracy and economic rationalism’ (Hardiman and MacCarthaigh 2008: 4; Pollitt and Bouckaert 2004). However, NPM soon became highly controversial and triggered debates on both its limited success in the Anglophone world as well as its applicability to other developed or developing country contexts (Hood and Peters 2004, Dunleavy et al 2006a). On the one hand, in more developed countries, ‘years of attempts and experiences of NPM reform gave evidence of relative failure rather than success’ (Manning 2000; Drechsler 2005, Dunleavy 2006b). On the other hand, NPM-type reforms implemented in various developing countries ‘without adequately examining the existence of institutional, bureaucratic, socio-economic and political conditions for their effective implementation often led to complete failure’ (Polidano 1998: 285).

To begin with, one key problem with NPM is that it lacks precise definition (Common 1998). While its initial definitions referred to ‘a set of identifiable components and a collection of more flexible strategies in terms of service delivery and public sector HRM’ (Hood 1991, Hoggett 1994 quoted in Common 1998: 60), its interpretation in relation to administrative reform in developing country contexts in particular are even more complex. Thus, Batley and Larbi (2004) have broadly referred to NPM as the WB and IMF approach to improving the performance management of public sector in developing countries. However, despite the lack of ‘a broad agreement on the features of the NPM’ (Hood and Peters 2004), Pollitt (2003) provides a checklist of the key features of the doctrine which include a general shift in values from equity and security towards efficiency and individualism and preferences for temporary contracts vs hierarchical relationships, measurements and outputs vs processes and inputs as well as for ‘agencification’ through specialized, arms-length agencies (Dunleavy et al 2003, Talbot 2004).

Perhaps, the biggest shortfall of the NPM was that it represented assumptions, which ‘contrary to Weberianism, the bête noire of NPM, do not provide for a strong state or even rendered it as dead or incapacitated’ (Drechsler 2005: 94-96, Dunn and Miller 2007). As such, it was built upon the critique of Weber’s traditional bureaucracy and the Wilsonian dichotomy (see Chapter Two, fn. 9) thus ‘emphasizing its negatives such as rigidity and centralization and underplaying its positives such as continuity and honesty’ (Pollitt and Bouckaert 2004: 72)\(^\text{19}\). More specifically, the paradigm labelled as the Weberian model of

\[^{19}\text{In Pollitt and Bouckaert's analysis of Weber's writings (1947), traditional bureaucracy consists of the following elements: a) fixed spheres of competence; b) defined hierarchies; c) full-time career appointments}\]
public administration and capacity building is based on principles of selection on merit, hierarchy, career advancement and administrative legality (ibid, Minogue 2001, Pollitt and Bouckaert 2004, Drechsler 2005). In addition, underlying the assumption of the Weberian model of public administration is the argument that deficiencies of a public administration system are rooted in public servants’ lack of skills, which can be addressed through capacity building and training activities (McCourt 2007).

Despite the fact that Weberianism as a long established doctrine based on the Wilsonian politics-administration dichotomy (see Chapter One) and top-down assumptions was regarded as outdated (Fox and Miller 1995), it was still revived under NPM. On the one hand, for the proponents of the implementation theory, who challenge the notion of a linear sequence from policy-making to implementation and recognize that there is indeed a dichotomy between the two, understanding conflict factors such as context and administrative capacity in promoting, altering or reversing policy reform is central to understanding its outcomes (Clay and Schaffer 1984, Grindle and Thomas 1990, Brinkerhoff 1996, Sutton 1999). On the other hand, the more adamant critics of Weberianism lay the emphasis on the importance of the interaction between policy-makers and administrators (Pressman and Wildavsky 1973, Dunleavy 1991, Hill 2009).

Indeed, the fall of NPM has been linked to the re-emergence of the Weberian doctrine in recent years. The post-communist states of CEE, where there has been a tendency to jump into the modern management systems based on the principles of efficiency and effectiveness of the neo-liberal NPM fashion without having basic public administration frameworks in place (Nunberg 1999, Verheijen 2003, Randma-Liv 2008), are a case in point. While the policy transfer literature initially assumed that following the collapse of communism, those countries ‘would be willing to be like the West by drawing lessons from highly developed countries’ (Rose 1993: 111), administrative reforms in those countries represent a fundamental shift of emphasis from efficiency to effectiveness, recognizing the need for state structures more than ever before (Drechsler 2005). A more recent strand of literature refers to the countries of the CEE including SEE as adopting the hybrid model of public administration, the New Weberian State (NWS) drawing on both NPM and Weberianism. As such, the NWS is characterized by a shift from bureaucratic rule-following towards meeting the needs of citizen needs through consultations with them,

for officials; d) specialization/expertise and d) distinction between public and private roles (and properties) of public officials (2004: 71)
modernizations of administrative laws towards achievement of results and orientation towards bureaucrats’ becoming professional managers (Archmann 2009, Pollitt and Bouckaert 2011). In this study’s context, the researcher’s view is that the discussion over reform doctrines is important for understanding the complexity of the process from the formulation of EU policies in Brussels to their implementation by institutions in Albania.

3.4.3 Politico-administrative culture

There is a general consensus in the literature that the internationalization of public management is challenging precisely because of the highly contextual nature of transfer in relation to administrative reform. This holds true especially in the case of developing countries, where it is difficult to find exemplars of successful transfer, which if simply emulated to other contexts could lead to inappropriate transfer (Bennett 1991, Heald 1992). Besides, as Common (1998: 71) argues, ‘a key problem in assessing the influence of international aid organisations is that their impact cannot be isolated from other variables that influence administrative reform’. Most significantly, the receptiveness of the NPM, Weberian or NWS-type reforms largely depends on governing elites’ decisions and is largely shaped by contextual factors including the politico-administrative culture.

From a policy transfer methodology perspective, the Dolowitz and Marsh (1996) model further developed by Evans and Davies (1999) can be useful in that it offers a range of policies, programmes, institutions and instruments to identify whether, how and why transfer of NPM reforms occurs in a given context (Common 2001). Thus, they suggest the use of a multi-level approach to analysing the context, including wider (macro) political pressures and (micro) elements of administrative culture (ibid). Besides, Pollitt and Bouckaert (2004) have offered an influential account of administrative cultures ranging from the Rechtsstaat (where the state and administrative law prevail) to ‘public interest’ cultures (where public accountability is dominant), which this study benefits from.

However, the politico-administrative systems are highly contextual. For example, Peters (2010) argues that political culture is one of the key influential elements, in addition to societal and administrative cultures, in shaping public administration systems. Whereas, for

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20 See discussion in 3.3.2.4
21 Public administration systems of countries including France, Germany, Belgium and France seem to be guided by the Rechtsstaat model whereas those of the Australia, New Zealand and the UK by the Anglo-Saxon notion of the ‘public interest’ state (Pollitt and Bouckaert 2004: 62)
Pollitt and Bouckaert ‘there is much more to administrative culture than just a bipolar scale running from Rechtsstaat to public interest states’ (2011: 63). In their analysis, they discuss state structures, the nature of the executive, prevailing organisational culture and relationships between politicians and top civil servants (‘mandarins’) in various contexts (ibid: 73). In the context of SEE, Stubbs (2005) also highlights the role of networks in multi-level governance and policy transfer. While it would be unrealistic to treat all of the above as discrete research variables, the analysis of aid-supported capacity building/policy learning programmes will allow for the identification of potential variables which characterize the Albanian politico-administrative context. In the empirical part of the study, the variables identified manifest themselves in the interaction between donors and bureaucrats in the implementation of the above policies/programmes in Albania.

3.4.4 Trajectories in public service reform

To re-iterate the discussion in Chapters One and Two (see 1.2 and 2.3.3), administrative reforms are increasingly an essential part of donor ‘good governance’ programmes in the developing world. However, as Andrews (2009) argues, good governance means different things in different countries and this holds true for the direction (trajectory) of public management reforms. Thus, accounts of reforms in post-communist states of CEE claim a downward trajectory in certain aspects of reform such as government accountability (Ackerman-Rose 2007). The research finds this an over-generalized characterization and claims that reform trajectories are not only contextual but also vary across sectors.

Of the various types of public management reforms (see 1.6.3), this research addresses the direction (trajectory) of reform in the public service/HRM from a ‘process’ rather than ‘outcomes’ perspective. As Pollitt and Bouckaert (2011:76) suggest, one could consider ‘top down/bottom up approaches, legal dimensions and organisational processes in relation to reform as prescribed by doctrines such as the NPM or NWS’. Thus, in attempting to determine the direction of reform in a given context, variables which go beyond the ‘Rechtsstaat vs. public interest’ range are suggested, including career vs. temporary appointments of public servants, the positioning of HRM reform functions and creation of a professional civil service within a distinct national regulatory framework (ibid, 87-95). These theoretical assumptions have been instrumental to the study’s empirical findings.

22 Drawing on interpretations by Pollitt and Bouckaert (2004, 2011), Chapter 6 will explore the role of aid through provisions for the institutionalization of the notion of ‘Secretary/ies General’ (SGs) as ‘top civil servants’ within the Albanian public administration system.
3.4.5 Drawing on Europeanization

Back to Andrews’ ‘contextual governance’ argument (see above, 3.4.4), in the case of CEE state, governance has been equated to their Europeanization process and treated in the context of its implications for EU membership. Thus, the influence of international aid organizations in promoting policy transfer and learning within the EU has proven most popular of all, particularly among scholars of the theory of Europeanization. For them, through ‘processes of construction, diffusion and institutionalization of policy, the EU has evolved into a massive transfer platform for disseminating different aspects of policy among member states’ (Dolowitz and Marsh 1996: 348; Radaelli 2000: 26; Benson and Jordan 2011: 369). The expanding literature on Europeanization has shown a particular concern with the way in which the EU processes affect domestic policy-making and its pivotal role in driving administrative reform in new member countries (Wessels 1997, Common and Gheorghe 2011).

Thus, the ‘Europeanization’ of administrative reform in the broader spectrum of ‘acquis communautaire’ – a French term referring to ‘the cumulative body of European Community laws, comprising the EC’s objectives, substantive rules, policies and, in particular, the administrative legislation, all of which form part of the legal order of the EU’ – is part of rhetorical discourses among policy-makers in the EC and elites in the C/SEE. However, the contextual nature of administrative reform cannot be isolated from the politics of EU accession. A reflection of that is the fact that the ‘EU agenda appears to favour the development of a Weberian democracy, rather than one built on NPM principles’ (Lee 2009). As discussed earlier, those aspects of reform as supported by international aid are essential to the process and politics of EU accession in the research context. In particular, public sector HRM and capacity building as a tool towards administrative reform is key to the dynamics of the interaction between the EU, the policy instruments it uses to facilitate the accession process and the specific context of Albania (see Chapter Five).

Previous research on transitional countries in CEE has widely seen the prospect of EU membership as the ‘EU’s most powerful instrument to encourage them to undertake major reforms’ and thus analysed the EU conditionality mainly in terms of the more advanced countries in the region’ (Smith 1997: 7). However, while such research has recognized the

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positive role of the EU incentives for transition to democracy and market economy as being widely recognized, ‘it remains to be seen whether the EU instrument of conditionality will work similarly in the countries of SEE including Albania’ (Hoffman 2005: 56). Although the EU is moving into a new phase where both policy and political conditionality are once again deemed respectable, it is increasingly faced with the dilemma about the sufficiency of the conditionality instrument towards reform in the SEE region’ (Molenaers and Nijs 2009).

However, Europeanization represents a problematic label. To begin with, despite being a ‘valuable resource in understanding the complex and unpredictable process of post-communist transition in CEE’, it has been argued that it still ‘fails to appreciate important contextual factors thus masking the complexities of policy transfer or, in other words, explaining the lack of policy transfer in relation to administrative reform’ (Papadimitriou and Phinnemore 2004: 635; Common and Gheorghe 2011: 3). In the light of these limitations, coupled with the relatively ‘young age’ of the Europeanization theory, the central argument of this thesis – when it comes to its potential use as a conceptual framework – is that, while it is not a well-established enough framework (at least compared to policy transfer) to base an entire doctoral thesis on, drawing on Europeanization in the context of Albania as a ‘potential EU candidate country’ as related to administrative reform and capacity building is indeed unavoidable. Thus, the research selectively looks at the ‘EU conditionality’ mechanisms such as policy incentives and their application to administrative reform from the angle of policy transfer, the study’s overarching conceptual framework.

3.5 Engagement of the conceptual framework with the research variables

As proponents argue, placing policy transfer in a framework can most importantly advance our understanding of the role of concepts such as the motivation of actors, indigenous contexts and facilitators/constraints in the policy-making process (Common 1998, Sabatier 1999, Rose 2005). In summary, in recognition of the merits and limitations of the policy transfer (see 3.3.3), the discussion that follows attempts to highlight the key features of the framework as they apply to the context of this research. Thus, given the argument that the Dolowitz and Marsh (1996) model is increasing applied to governance studies both in developed and developing countries especially with regard to administrative reform, five arguments are presented in support of the appropriateness of the framework in question for the research study:
First, of all theories, frameworks and models considered, the policy transfer framework is more appropriate for a study falling within the discipline of public administration/policy precisely because of its breadth in scope and flexibility. Secondly, international aid policy and administrative reform and capacity building being identified as independent and dependant variables (see 3.3.2.2) along with the mediating variables (discussed throughout this chapter and summarized below), the ability of the framework to explain the relationship between these variables is considered an advantage. Thirdly, the analysis of the theoretical framework in question has aided the process of conceptualizing and constructing the empirical chapters of the study. Fourthly, and perhaps most importantly, the analysis of the framework has been instrumental to the formulation of the specific research questions deriving from the central research question (see 1.4). Finally, as Dolowitz and Marsh have demonstrated, ‘policy transfer can be used either as dependant or independent variable’ (1997: 6), which adds value to their flexibility argument in favour of the model in question.

In conclusion, the conceptual framework of this study is based on an adapted Dolowitz and Marsh (1996) model. Table 2 (below) summarizes the key features of the framework thus highlighting the key ‘catalysts’ or ‘facilitators’ of the policy transfer, specifically international aid organizations and public servants (in other words, actors engaged in policy transfer) and mediating variables, specifically: a) policy and programmes; b) institutions and mechanisms and; c) dynamics of the national context and facilitators/constraints of the interaction between international aid organizations and domestic policy actors.

**Table 2: Policy transfer: a framework for analysis**

<table>
<thead>
<tr>
<th>Transfer Continuum</th>
<th>Voluntary</th>
<th>Who is Involved</th>
<th>What is Transferred?</th>
<th>Degree of Transfer</th>
<th>Constraints of Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Public servants</td>
<td>Policies and programs</td>
<td>Copying</td>
<td>Political culture</td>
</tr>
<tr>
<td>Rational lesson-drawing</td>
<td>Impression/Aid Conditioning</td>
<td>International (aid) organisations</td>
<td>Institutions and mechanisms</td>
<td>Adaptation</td>
<td>Administrative culture</td>
</tr>
<tr>
<td>Political motivations</td>
<td>Membership in Int'l organizations</td>
<td>Policy community/ NGOs/internat groups</td>
<td>Ideologies/concepts</td>
<td>Mixture</td>
<td>Economic/social conditions</td>
</tr>
</tbody>
</table>

24 Source: Adapted from Dolowitz and Marsh (1996)
3.6 Specific research questions: drawing on the conceptual framework

As discussed earlier, the conceptual framework needs to serve most importantly as a reliable tool for a solid data analysis explaining the relationships between variables meaningfully and contextually. Drawing on both the literature review and the analysis of selected components of an adjusted Dolowitz and Marsh (1996) policy transfer framework, the study’s central research question is answered: ‘How has international aid influenced the process and implementation of public service reform and capacity development in post-communist Albania?’ The study also answers these specific research questions stated in Chapter One (see 1.5)):

iv. What policies and programmes have international aid organizations used to support the process of public service reform and capacity development in post-communist Albania?

v. What are the institutions and mechanisms through which international aid organizations have sought to assess the role and impact of their policies and programmes?

vi. How have the specificity of the national context and the dynamics of interaction between international aid organizations and Albanian bureaucrats influenced the process of policy transfer towards the implementation of public service reform and capacity development?

3.7 Conclusion

In the process of identifying a sound conceptual framework for this research study, which would be internally consistent, open to verifiable hypothesis and subject to a fair amount of recent conceptual development and/or empirical testing (Sabatier 1999), both established and cognate disciplinary areas of literature have been considered. These disciplines looked at have included development management, political economy as well as organizational studies. However, a comprehensive review of the above concluded that most of the theories or frameworks suggested in the literature have little or limited bearing on the nature of this study, which intends to conjoin and study the nexus between the two key variables: international aid and administrative reform/capacity building in a developing country context. The development management literature, for example, offers normative views rather than well-established theoretical frameworks, through which to study the

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25 Elements and actors of transfer selected for purposes of this study are highlighted in bold whereas potential mediating variables based on the theoretical assumption of policy transfer are italicized (Table 2)
impact/role of international aid in (administrative) capacity building. The frameworks provided in the literature and practised by development organizations are based on ‘RBM’ (rather than research-based) frameworks, which this research both challenges and adds value to, have limited coherence in terms of describing the complexities of the policy process. Given that this research intends to investigate the relationship between the variables from a ‘process’ rather an ‘outcomes’ perspective, the public policy domain was ultimately explored, which led to the policy transfer conceptual framework being identified as perhaps the most appropriate for the nature of this research.

As distinct from other forms of public policy-making, which treat the policy process as a linear one and are predominantly applicable to domestic contexts, that is policy-making in developed countries, policy transfer maintains several advantages. Those include its emphasis on the interaction between policy actors as well as on the importance of the national politico-administrative context in the policy-making process. However, the power of the policy transfer model designed by Dolowitz and Marsh (1996) derives from its ability to explain the dynamics of voluntary versus coercive policy transfer. In Chapter Two, it was concluded that aid is a form of international policy transfer. Moreover, the literature provides evidence that policy transfer is increasingly used in international contexts and development assistance. The framework has, for example, proved useful in explaining the role of aid organizations as ‘policy transferors’ in the internationalization of administrative reform doctrines such as the NPM and the NWS and more specifically for the research context, Europeanization processes within the EU such as conditionality mechanisms. Most importantly, the ability of the framework to explain the relationship between the research variables, i.e. aid and administrative reform/capacity building, through the politico-administrative context is perhaps the best justification for the research choice.

Hence, the analysis of the elements of the policy transfer model, adjusted to fit the research context, specifically *policies and programmes; institutions and mechanisms* and its core element, which allows for an exploration of the *dynamics of the national context and facilitators/constraints of the interaction between international aid organizations and domestic policy actors such as public servants or bureaucrats* have been instrumental in the formulation of the research questions and guided the discussions in the empirical part of the study (Chapters Six, Seven and Eight).
Chapter 4. RESEARCH METHODOLOGY AND METHOD

4.1 Introduction

The objective of this chapter is to provide the rationale for the choice of the research orientation, methodology and key components, which constitute the overall research strategy and design of this study. The process of qualitative research, which this study identifies with, begins ‘with the conceptions of the researcher as a multicultural subject (phase one) and the choice of a research paradigm (phase two) and continues with designing a research strategy (phase three), followed by data collection and analysis/interpretation (phases four and five) (Denzin and Lincoln 1994: 12). Thus, the qualitative research methodology and the case study method as central to this research are interpreted in the light of their benefits and certain limitations as well as their relevance to a study of aid and administrative reform/capacity building in public settings in the Albanian context.

Based on the original research plan developed during the formative stage of the study, which guided the work in the preparation of the research instruments for the field research, an account of the research activities undertaken, including elite interviews, focus groups and documentation analysis as part of the research strategy, is provided in this chapter. The criteria for the selection of subjects (organizations) participating in the research study are also presented as part of this discussion. As discussed in Chapter Two, in terms of data analysis, the Dolowitz and Marsh (1996) policy transfer conceptual framework has served as a tool for analysing the primary data collected based on the categories identified/selected from the framework (4.5.4). The section on reflections and lessons learned during the fieldwork (November 2010 to July 2011) is about the researcher’s overall experience conducting fieldwork research in Albania following years of experience as a development practitioner/consultant for donor-funded Albanian NGOs during 2001-2009 prior to the commencement of the PhD degree studies (4.7). As explained earlier, it was the professional experience of the researcher, which gave rise to the initial concept to conduct a study which looks at the role of aid in a broad sector, public administration, which, in his professional opinion represents a more legitimate and effective conduit to good governance. The initial assumption, that the use of a qualitative methodology would be more appropriate for the research context in Albania, was based precisely on such
experience, where the lack and questionable reliability of the quantitative data pose a considerable challenge to development practice at country and perhaps regional level.

This chapter ends with a discussion of ethical considerations surrounding a public policy-oriented research study, such as ensuring research transparency and confidentiality while maintaining quality of research and protecting the interests of research participants (4.6). This part of the discussion also details the specific measures and procedures undertaken to ensure compliance with the ethical research requirements as approved by the University of Manchester’s Research Ethics Committee.

4.2 The Choice of Research Orientation

The research methodology literature offers quite a wide variety of perspectives on the role of research paradigms, design and methods leading to a successful research study. There are four ‘research paradigms’, referred to as ‘sets of beliefs and general theoretical assumptions, laws and techniques for their application that members of a particular scientific community adopt’ (Chalmers 1999: 108). They map or, at least influence, the thinking process in social science studies: positivism, post-positivism, critical theory and interpretivism (Denzin and Lincoln 1994). However, while it is not the purpose of the discussion here to review the research paradigms associated with social inquiry in detail, it must be noted that these research paradigms are products of human and philosophical interpretation and no one of them is considered to be superior to others. Besides, ‘research paradigms take different positions on mechanisms through which change occurs’ (Campbell and Pedersen 2001: 11). Thus, proponents of one particular paradigm ‘must rely on persuasiveness and utility rather than proof in arguing their position’ (Guba and Lincoln 1994: 202). Therefore, while recognizing the importance of conducting research through a given paradigm, the orientation of this study is to rather highlight the research design and techniques of data gathering and analysis as fundamental to the research process.

The above notwithstanding, this research does not necessarily subscribe to a ‘paradigm’ per se. Indeed, it did not start with a clear idea on the set of assumptions underpinning a research paradigm (ontology and epistemology). In fact, the only underlying assumption prior to undertaking the research was that the approaches that international organizations such as the OECD use to assess ‘aid effectiveness’ are of a highly technical nature, thus having limited bearing on the process through which aid is delivered. Based on the above
and the researcher’s familiarity with the research context, that is general capacity building in Albania, the choice was then made to focus on the intersection between aid and its implications for administrative reform and capacity building, in order to not only challenge the above approaches but also add value to them. This is the rationale, which formed the basis of the central research question and the specific research questions (see 1.4 and 3.6).

However, it must be recognized that it still does draw on ontological and epistemological assumptions underpinning some of the above paradigms. In doing so, the research recognizes that ‘objectivity and value-free science are simply impossible’ (House 1994; Hedrick 1994) and that our understanding of the complex world we live in is constructed via interpretations as constructed by social actors and the multitude of stakeholders and their interaction (Schwandt 1994, Denzin and Lincoln 2008). These are indeed assumptions associated with the interpretivist tradition, where ‘the researcher does not only aim to provide or facilitate an understanding of the subject but also seeks to bring about change and empowerment of the stakeholders in the process’ (Kanbur 2005: 70). Therefore, the analysis of accounts has been based on the assumption that reality is relative and constructed through the interpretations of social actors (donor, policy-makers, bureaucrats and others) and their perceptions of reality as related to each-other (Bryman 2001).

From another perspective, in its approach towards the use of a theoretical framework, developing a working proposition or hypothesis (see Chapter One) and data gathering and analysis, the research also benefits from the positivist tradition. Yet, we have to bear in mind the context. As will be discussed in Chapter Five, after decades of isolation, Albania experienced a difficult political transition from a communist to a democratic system with serious implications for its public administration. Despite the presence of aid organizations since the collapse of communism and some progress towards the goal of acceding into the EU, the political life in the country remains relatively unpredictable, which not only has implications for Albania’s fragile institutions but has also made the relationship of Albania with the EU and other aid organizations complex. To follow pure ‘inductive’ (i.e. data collection followed by analysis/testing and development of theories) or ‘deductive’ (i.e. construction of tentative theories followed by the development of hypotheses tested through data collection) approaches as respectively suggested in positivism and post-positivism’ (Blaikie 2000: 102) in studying the process of how aid has influenced administrative capacity building in such a complex environment might not be realistic through the more rigid treatment of research variables, which paradigms usually require.
Therefore, this research does not position itself as ‘interpretivist’ or ‘positivist’. In choosing the orientation of the study, the researcher faced the dilemma of whether or not subscribing to a single research paradigm would be the best approach. Given the complexity of the research milieu and the controversial and sensitive nature of the variables, which in the Albanian context means ‘administrative reform and capacity-building’ for EU accession, this research was better off being carried out through a pure qualitative methodology, which enabled a more flexible process of data collection and analysis. Moreover, while the study recognizes the value of the frameworks used to assess the capacity building which aid supports, it is in line with a philosophy that ‘challenges the intellectual and theoretical understanding, thus plugging gaps in knowledge and extending debates on both research-related topics and socio-political context of the research practice’ (Mason 1996: 18). These arguments are reinforced through the discussion of limitations of the qualitative research methodology and case study method in the discussion below.

4.3 Qualitative research methodology: benefits and limitations

The qualitative research methodology appears to follow a relatively more inductive approach, through which the inquiry methods seek to involve many stakeholders and to obtain multiple perspectives on the subject of research and the meaning of the concepts through semi- or unstructured, exploratory data research methods (Thorbecke 2001, Christiansen 2003). It has been described as ‘occurring when the specific observations share common features and are components of a more general phenomenon as well as the ability to produce credible, authentic and valid research outputs while tolerating the complexities that this research may present’ (Fawcet & Downs 1986: 34).

Its benefits have been considered as the key guiding principles and values throughout the research. The position that this research takes is in agreement with Silverman’s (2001) view that the key benefits of qualitative research consist of its appreciation for a certain degree of subjectivity as well as the validity of inquiry methods associated with it. With its ability to allow for generalizations, the case study method, for instance – as central to this research – is also more suitable for public policy oriented-studies such as this one, especially because, as McCourt et al. (2006) would argue, it complements the quantitative methodology used in both private and public sector studies. Besides, one of its main advantages is ‘the ability to retain the holistic and meaningful characteristics of real-life events, such as organizational and managerial processes’ (Yin 2003: 2). Simultaneously, it ‘can serve the heuristic purpose
of inductively identifying additional variables and generating hypothesis… and can analyze qualitatively complex events thus taking into account numerous variables precisely because they do not require numerous cases or a restricted number of variables’ (George & Bennett, 2005: 45). The rationale for the choice of the methodology for the research context is provided in the rest of the discussion in this section while the case study method and the data collection instruments are detailed in 4.4.

First, this research study is not about the statistics of aid in terms of its outcomes benefiting the public service, in which case a positivist approach would have been more appropriate. Instead, it is about the assessment of its role in a specific sector and its interaction with the national context and the politics of the EU accession. To re-iterate, challenging the technocratic approaches and quantitative measurements of international aid organizations, the purpose here is to offer an alternative, qualitative approach to describing the role of aid in administrative reform and capacity building in Albania26. As discussed earlier, interpretations of accounts by multiple actors, policy-makers, development practitioners and bureaucrats alike, through qualitative methods of inquiry lie at the heart of the strategy of this study.

Secondly, the application of a qualitative research methodology would be appropriate in terms of the geo-political context where the research takes place, in which case the lack of reliable quantitative data can be a challenge. Indeed, social science qualitative research consists of ‘data collected through observations that the researchers make with lenses that are shaped by their languages, culture, discipline-based knowledge, past experiences (professional or lay) that lead to the construction of knowledge’ (Blaikie 2000: 120). The choice of this research methodology is reinforced by advantages which according to Unwin (2006), consist of the researcher being an insider as well as an outsider with the knowledge of the language and socio-political and cultural context. Being a native of Albania with professional experience, both as translator and consultant for several development programmes in the country, followed by years of an HRM career abroad have indeed equipped the researcher with the advantage of a good understanding both sides of a “story” on aid and capacity building, which had in fact motivated and inspired him to undertake this research.

26 This is the rationale for why the term ‘role’ rather than ‘impact’ has been chose as the title of the study
Thirdly, the choice of the qualitative research methodology is also based on the significance of the expected research outputs for policy relevance through their potential dissemination to appropriate stakeholders. As noted in Chapter One, a long-term (rather than immediate) goal transcending the scope of this study project is to produce findings, which might likely benefit improvements in aid policy-making as related to administrative reform and capacity at country and regional levels in the future. Thus, given that research dissemination is an issue which is receiving increasing emphasis among social scientists (Maxwell 2005), the application of qualitative research to this study is considered as a contribution in itself to the ongoing debate over the need for a connection between research and improvement in international aid policy and administrative capacity building in developing countries.

However, qualitative research has been criticized for its relativism as well as lacking transparency and scientific precision. Critics have also suggested that ‘the scope of findings in qualitative investigations is restricted because of the difficulty of replicating a qualitative study although replication in social sciences is by no means a straightforward matter’ (Bryman 2004: 284). In terms of its application to the public policy domain, proponents of the qualitative research methodology have responded to such criticism by arguing that ‘it can overcome relativism and subjectivity by making two key contributions to society via widening participation in debates about public policy and offering new perspectives to practitioners’ (Silverman 2001: 272). The recognition of such limitations does not really diminish the value of the benefits of qualitative research; nor has it affected the researcher’s appreciation for the methodology itself. In fact, the researcher’s experience through triangulation of findings from various sources including secondary quantitative data analysis has helped him to appreciate the methodology and its complementarity. Most importantly, its use has helped to validate the original assumption based on a critique of the quantitative approached to ‘aid effectiveness’ adopted by organizations such as the OECD, which may produce results with desirable implications for future policy development.

4.4 Research Design and Strategy

4.4.1 The research design process

The qualitative research methodology literature treats research strategy from both design and methods perspectives. As Punch put it, ‘at the centre of the design of a study is its internal logic and rationale – the reasoning, or the set of ideas, by which the study intends to proceed in order to answer its research questions’ (2006: 48). The general idea of design
is one of ‘situating the researcher in the empirical world while, on a practical level, it means connecting the research questions to data, where design shows how the research questions will be connected to the data, and what tools and procedures to use in answering them’ (ibid, 49). On the one hand, it is widely recognized that theory development relies on research and research relies on data (Brown 1977). In fact, the relationship between the two has been characterized as a transaction whereby theory determines what data are to be collected and research findings provide challenges to accepted theories (Fawcett & Downs 1986). On the other hand, as Mason argues in relation to the coherence between paradigm, strategy and methodology, ‘the key tasks of the design stage in relation to methods are not only to decide upon appropriate methods and data sources, but also to develop some understanding of the methodological implications of choices and, in particular to think carefully about the links between research questions and research methods’ (1996: 19).

However, to re-iterate, generating or testing a theory is not the objective of this study. Rather, its purpose here is to investigate the research variables through the lens of ‘social constructions’ by international and domestic policy actors in the research context. While the discussion in 4.2 was to justify the research orientation, in this section, the researcher reflects upon the flow of the thinking process and implications of the chosen methodology for the research objectives (questions) as the basis for its strategy and design. In the design phase, the combination of the advantages of qualitative research and the power of the strategic selection of an illustrative case study (see 4.5.2) have enhanced the potential for treating all the variables the research investigates meaningfully. Figure 2 (below), shows the link between theoretical assumptions drawn upon and the methodology (strategy and method) illustrating the relation of research design to the process of ‘conceptualizing and formulating research questions sensibly and coherently’ (Mason 1996: 15).

**Figure 2: Research design process**
4.4.2 The Case Study Method

Another body of literature addresses the process of designing a research strategy from a methods perspective (Denzin and Lincoln 1994). Conceptually, as discussed above, the prevalent research strategy was based on a qualitative approach to data collection. Methodologically, this research uses the case study method which is typically associated with qualitative research as an effective methodological tool, and which allows for generalization of findings and replication of lessons learned in broader contexts. Gerring (2007: 20) has defined it as ‘the intensive study of a single case, where the purpose of that study is – at least in part – to shed light on a larger class of cases’. Authors such as Silverman (2001), Bryman (2001) and Flyvbjerg (2001) have discussed its key advantages such as its reliability, replicability, validity as well as generalizability despite the critics’ argument that ‘the lack of rigor of case study research provides little basis for scientific generalization’ (Yin 2003: 10). Others such as Ostrom (2005: 35) have focused on the ‘power of the strategic selection of a good case study’ thus adding value to its generalizability advantage.

The application of this method is central to this particular research study, where a specific country, Albania, is an ‘illustrative’ case study, which might be replicated to a broader array of cases in the countries of SEE including Bosnia-Herzegovina, FYROM and Montenegro in the future27. In the light of commonly shared issues in administrative reform and capacity building for EU accession in those countries as well as in donor assistance/coordination for state-building as in Kosovo/a, the case study of Albania has been chosen strategically. Its purpose is to illustrate a case, in which all the above variables combined, the study findings may be generalized and replicated to other contexts in the SEE region in the future.

In addition to the above-discussed benefits of the qualitative research methodology, the case study method per se maintains a key advantage in that it allows for interpretations of the complex nature of the phenomena being investigated, which holds true for a complex research setting such as Albania and SEE as discussed earlier (see 4.3). Besides, as George and Bennett (2005: 21-22) point out, ‘case studies, unlike statistical methods, maintain additional advantages such as the ability to examine the operation of casual mechanism

27 As of December 2012, under UN Security Council Resolution 1244, the category of EU candidate countries includes: Croatia (acceding member), Iceland, FYROM (Former Yugoslav Republic of Macedonia), Montenegro, Turkey and Serbia. The potential EU candidate countries category include Albania, Bosnia and Herzegovina (B&H) and Kosovo/a (EC 2012)
(operating only under certain conditions) in individual cases in detail as well as the ability to accommodate complex casual relations’. Thus, this research maintains that the statistical methods used by organizations such as the OECD and other donors may not capture the complexity of the relations between policy actors, especially when it comes to the dynamics of administrative reform in the research context.

Besides, the case study approach is seen as a vehicle for development of theories or frameworks that may account for future cross-country comparisons beyond a given geopolitical context such as the SEE (Fawcet and Downs 1986; Foucault 1980, 1988; Burchell et. al. 1991, Maxwell 2005) Thus, even though theory development is not the objective of this research study, it can still contribute to the development of the conceptual framework it uses. This will be further discussed in chapters Eight and Nine.

4.4.3 Data collection: sources and instruments

4.4.3.1 Preparatory phase

Preceding the research in the field, an initial discussion took place with supervisors regarding the possibility of a ‘scoping study’, which was then deemed unnecessary. Part of the rationale for this decision was the researcher’s familiarity with and knowledge of institutions in the research terrain as a professional. As part of the preparatory activities for fieldwork research, a provisional list of contacts in public institutions and donor organizations in the field and some research instruments were prepared in Manchester, which were then further developed upon the researcher’s relocation to Albania in Autumn 2010. The process was followed by a short-term visit to the OSCE (Organization for Security and Cooperation in Europe) Secretariat (Prague Office) as part of the research study’s ‘documentation analysis’ component (to be discussed below). The OSCE was the first international organization which, pioneered the initial efforts to disseminate information and coordinate aid initiatives in the country in the early 1990s until 2005 when, under the auspices of the OECD, the GoA signed up the PD. Specific research instruments feeding into the case study method are detailed in the discussion below, which reflect the fieldwork research activities during September 2011 to July 2012 including elite interviews, focus groups and documentation analysis. Table 3 (below) provides a timeline and location of those activities.
Table 3: Fieldwork activities timetable

<table>
<thead>
<tr>
<th>Location</th>
<th>Dates/Duration</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manchester, UK</td>
<td>July 2010</td>
<td>Development of provisional list of field contacts and research instruments (interview schedules)</td>
</tr>
<tr>
<td>Prague, Czech Republic</td>
<td>August-September 2010</td>
<td>Participation in the OSCE Researcher-in-Residence programme</td>
</tr>
<tr>
<td>Tirana, Albania</td>
<td>September 2010 – July 2011</td>
<td>Data collection</td>
</tr>
<tr>
<td>Manchester, UK</td>
<td>August – September 2011</td>
<td>Development of a ‘Fieldwork Report’ and debriefing with supervisory team</td>
</tr>
</tbody>
</table>

4.4.3.2 Field research activities

Elite interviews

As a key research technique concerned with the study of decision and policymakers and decision and policymaking processes, elite interviewing is a distinct qualitative research method in political science/public administration (Devine 1995, Peters 2008). As Burnham et al (2008: 247) argue, ‘it is not difficult to find classical political texts based on elite interviewing, which date back to authors such as Heclo and Wildavsky (1974)’. While their emphasis is on respondents with high levels of expertise in a given subject matter, getting elite interviews is more art than science because most elites are a difficult target group to access (Leech 2002a, Goldstein 2002). On a practical level, the most characteristic research technique used for them is known as semi-structured interviewing (Burnham et al 2004).

In this research study, semi-structured interviews with government officials, public servants and representatives of international aid and donor agencies have served as the key instrument for collecting the primary data. By definition, semi-structured interviews, unlike structured interviews, are guided conversations in which only the topics are predetermined and, through open-ended and probing questions, new questions or insights arise as a result of the discussion, thus yielding useful information (Nabasa et. al. 1995; Pretty et.al. 1995). As in many qualitative research studies, the instrument has been pivotal to this research study for various reasons. From a methodology perspective, qualitative interviewing was chosen because of the ontological position which suggests that ‘people’s knowledge, views, understandings, interpretations, experiences and interactions are meaningful properties of the social reality’ and the epistemological position that a legitimate and meaningful way to generate data on these properties is to talk interactively with people’ (Mason 2002: 63-64).
Besides, qualitative or semi-structured interviewing ‘has its own character, and despite some quite large variations in style and tradition, it has the following core features: interactive exchange of dialogue; a relatively informal style; a thematic, topic-centred, biographical or narrative approach and most of it (qualitative research) thus operating from the perspective that knowledge is situated and contextual’ (ibid, 56-62). It is these characteristics that have guided the thinking behind the choice of organizations participating in the study. The power relations between the interviewer and the interviewee have also been given due consideration as elite interviews with mid- and senior level government officials and public servants are far different from generic interviewing and can pose difficulties and complexities of a political nature (Mason 2006). The research culture in Albania being fragile, which often demonstrated itself in the attitudes of senior public servants interviewed posed a challenge which required patience, tact and cultural sensitivity.

Procedurally, 38 public servants, government officials, development officers, NGO representatives and capacity building experts were interviewed for purposes of the research during the timeframe of fieldwork research. All the interviews, expect for one (organized via Skype) were face-to-face and each lasted for approximately one hour. Note-taking and subsequent transcriptions, i.e. detailed interview summaries have served as a generic method for interpreting the interview content and turning transcriptions into text. Interviews with civil servants, government officials and non-profit representatives were conducted in Albanian, the researcher’s native language, whereas those with officers from development and donor organizations were in English.

(a) Sample selection: criteria and techniques

The essential criterion behind the sample selection strategy was based on the rationale that this research is oriented towards the process through which aid impacts reform and capacity building from a ‘policy’, rather than from an ‘outcomes’ perspective. However, different strategies were used in choosing the sample for each of the categories of interviewees, that is, ‘donors’ (Category D), ‘public servants’ or ‘bureaucrats’ (Category G), ‘NGOs’ (Category N) and capacity-building experts (Category E).

In the case of Category D (‘donors’), the sample selection process focused on identifying and then interviewing mid- to senior-level policy-makers and practitioners in each of the

28 An Interview Matrix detailing interviewee names, position, organizational affiliation and month of interview for all the elite interviews conducted between September 2010 – July 2011 is provided in Table 4
international organizations involved in public service reform and capacity development. Part of the rationale for this choice was the fact that, capacity building being a key component in almost every donor’s ‘good governance’ programme, broader interviewing of practitioners (project managers, consultants) from all donor organizations operating in Albania would have been simply unrealistic. Interviews and focus groups were conducted in Tirana, the capital of Albania, where almost all donor organizations are based.

The findings were then verified through triangulation (a technique which I elaborate under the ‘Data Analysis’ section) from interviews with key government agencies as aid recipients such as line ministries. Where interviews with policy-makers were not possible, then purposive sampling was used. Such was the case of the U.S.AID/Albania, whose Senior Governance Officer made it clear that ‘an interview with him would not add value to the research since the policy of the organization does not target capacity development of the public service at the national level’. Hence, a manager from a USAID-funded project on local capacity building was interviewed instead and findings were then triangulated via an interview with the Deputy Mayor of the largest municipality as the key beneficiary of the project. In other cases, interviews with certain donors, such as Dutch development organizations, were avoided out of concerns over the researcher’s prior involvement as a consultant and trainer with them. This could have led to potential research bias.

For various reasons, interviews with policy-makers in the ‘donors’ category were not always possible. The UNDP Office in Albania, for instance, which has been maintaining a significant ‘Democratic Governance’ cluster in its development programming since the early 1990s, never responded to formal requests for an interview. The DFID Office within the British Embassy in Tirana, on the other hand, had closed in March 2009. Albania’s significant progress over the last decade, including achievement of a middle-income country status, has been cited as grounds for DFID’s decision to end its bilateral aid to Albania in the last 3 years (DFID 2009). Alternatively, a mission report on the closure of that office, coinciding with the start of this study, was purposively used as part of the documentary analysis. Yet, the position of DFID is not necessarily consistent with the official opinions of other donors, at least in relation to public service HRM which, despite some progress in economic indicators, is still characterized as insufficiently evolved and very politicised (OECD 2009, EC 2009).
<table>
<thead>
<tr>
<th>Cat.</th>
<th>Ref.</th>
<th>Position</th>
<th>Organization</th>
<th>Month /Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category D (Donors)</td>
<td>D1</td>
<td>Project Manager</td>
<td>EU Delegation Support to PAR Project</td>
<td>05/11</td>
</tr>
<tr>
<td></td>
<td>D2</td>
<td>Senior Expert</td>
<td>Donor Technical Secretariat/Focal Point</td>
<td>12/10</td>
</tr>
<tr>
<td></td>
<td>D3</td>
<td>Team Leader</td>
<td>EU Project &quot;Alignment of Albanian Statistics with the EU Standards&quot;</td>
<td>05/11</td>
</tr>
<tr>
<td></td>
<td>D4</td>
<td>Project Coordinator</td>
<td>U.S. Agency for International Development (Albanian Justice Sector Strengthening Project-PaST)</td>
<td>03/11</td>
</tr>
<tr>
<td></td>
<td>D5</td>
<td>Project Assistant, Governance in Economic &amp; Environmental Dept.</td>
<td>Organization for Security and Cooperation in Europe (OSCE) Presence in Albania</td>
<td>02/11</td>
</tr>
<tr>
<td></td>
<td>D6</td>
<td>Team Leader</td>
<td>GIZ (German Agency for International Cooperation)</td>
<td>04/11</td>
</tr>
<tr>
<td></td>
<td>D7</td>
<td>National Coordinator</td>
<td>‘Reinforcing HRM’ program (Council of Europe)</td>
<td>02/11</td>
</tr>
<tr>
<td></td>
<td>D8</td>
<td>Head of Governance in Economic and Environmental Department</td>
<td>Organization for Security and Cooperation in Europe (OSCE)Presence in Albania</td>
<td>02/11</td>
</tr>
<tr>
<td></td>
<td>D9</td>
<td>Head of Development Cooperation</td>
<td>Swedish International Development Agency</td>
<td>03/11</td>
</tr>
<tr>
<td></td>
<td>D10</td>
<td>Civil Society Expert</td>
<td>U.S. Agency for International Development</td>
<td>11/10</td>
</tr>
<tr>
<td></td>
<td>D11</td>
<td>Operations Officer</td>
<td>EU Commission in Albania</td>
<td>04/11</td>
</tr>
<tr>
<td></td>
<td>D12</td>
<td>Chief of Party, ARD (subcontractor)</td>
<td>Local Governance Program in Albania, U.S. AID</td>
<td>01/11</td>
</tr>
<tr>
<td></td>
<td>D13</td>
<td>Operations Officer – Public Sector</td>
<td>World Bank Office – Tirana</td>
<td>04/11</td>
</tr>
<tr>
<td></td>
<td>D14</td>
<td>Head of Agency, ADC/Albania</td>
<td>Austrian Development Cooperation (ADA)</td>
<td>02/11</td>
</tr>
<tr>
<td></td>
<td>D15</td>
<td>Country Director, SDC/Albania</td>
<td>Swiss Agency for Development and Cooperation (SDC)</td>
<td>02/11</td>
</tr>
<tr>
<td>Category G (Public Servants)</td>
<td>G1</td>
<td>Director of Human Resources</td>
<td>National Institute of Statistics (INSTAT)</td>
<td>03/11</td>
</tr>
<tr>
<td></td>
<td>G2</td>
<td>Director</td>
<td>Training Institute for Public Administration (TIPA)</td>
<td>01/11</td>
</tr>
<tr>
<td></td>
<td>G3</td>
<td>Coordinator</td>
<td>Department of Strategy &amp; Donor Coordination (DSDC), Prime Minister's Office, GoA</td>
<td>11/10</td>
</tr>
<tr>
<td></td>
<td>G4</td>
<td>Deputy Minister</td>
<td>Ministry of Labour, Social Affairs &amp;Equal Opportunities</td>
<td>06/11</td>
</tr>
<tr>
<td></td>
<td>G5</td>
<td>Director</td>
<td>Department of Strategy and Donor Coordination (DSDC)</td>
<td>04/11</td>
</tr>
<tr>
<td></td>
<td>G6</td>
<td>Director, Human Resources</td>
<td>Ministry of European Integration (MoEI)</td>
<td>03/11</td>
</tr>
<tr>
<td></td>
<td>G7</td>
<td>Director, HRD &amp; Management</td>
<td>Department of Public Administration (DoPA), Mol</td>
<td>12/10</td>
</tr>
<tr>
<td></td>
<td>G8</td>
<td>General Secretary</td>
<td>Ministry of Justice, Government of Albania</td>
<td>01/11</td>
</tr>
<tr>
<td></td>
<td>G9</td>
<td>Director</td>
<td>Department of Public Administration (DoPA)</td>
<td>04/11</td>
</tr>
<tr>
<td></td>
<td>G10</td>
<td>Coordinator</td>
<td>Department of Strategy &amp; Donor Coordination (DSDC)</td>
<td>02/11</td>
</tr>
<tr>
<td></td>
<td>G11</td>
<td>Secretary General</td>
<td>Civil Service Commission of Albania</td>
<td>05/11</td>
</tr>
<tr>
<td></td>
<td>G12</td>
<td>Deputy Mayor</td>
<td>Municipality of Shkoder</td>
<td>03/11</td>
</tr>
<tr>
<td></td>
<td>G13</td>
<td>Director</td>
<td>HR Services &amp; Training of MPs, Albanian Parliament</td>
<td>12/10</td>
</tr>
<tr>
<td>Category N (NGOs)</td>
<td>N1</td>
<td>Executive Director</td>
<td>Institute for Contemporary Studies (ISB)</td>
<td>01/11</td>
</tr>
<tr>
<td></td>
<td>N2</td>
<td>Executive Director</td>
<td>Partners-Albania</td>
<td>12/10</td>
</tr>
<tr>
<td></td>
<td>N3</td>
<td>Executive Director</td>
<td>Open Society Foundation Albania (OSF)</td>
<td>06/11</td>
</tr>
<tr>
<td></td>
<td>N4</td>
<td>Program Officer</td>
<td>Albanian National Training and Technical Assistance Resource Centre (ANTTARC)</td>
<td>01/11</td>
</tr>
<tr>
<td></td>
<td>N5</td>
<td>General Manager</td>
<td>Institute for Development Research and Alternatives (IDRA)</td>
<td>03/11</td>
</tr>
<tr>
<td></td>
<td>N6</td>
<td>Program Coordinator, Civil Society</td>
<td>Open Society Foundation/Albania (OSF)</td>
<td>03/11</td>
</tr>
<tr>
<td>Category E (extras)</td>
<td>E1</td>
<td>Associate, Baker &amp; McKenzie LLP</td>
<td>(former) political advisor/donor coordination officer (OSCE/Albania)</td>
<td>04/11</td>
</tr>
<tr>
<td></td>
<td>E2</td>
<td>Director, Kabinet Pro Standardizati</td>
<td>(former) EC consultant in Albania</td>
<td>09/10</td>
</tr>
<tr>
<td></td>
<td>E3</td>
<td>Freelance M&amp;E evaluator</td>
<td>(former) program officer with UNDP/Albania</td>
<td>01/11</td>
</tr>
<tr>
<td></td>
<td>E4</td>
<td>PAR Expert</td>
<td>(former) Director of the DoPA</td>
<td>05/11</td>
</tr>
</tbody>
</table>
As regards Category ‘G’ (public servants), the rationale for the sample selection was based on the assumption that public service, or, more specifically, ‘civil service’ reform, is usually considered as a central government function only. Hence two major central government organizations, namely DoPA (Department of Public Administration) and ITAP (Institute for Training of Public Administration), were identified as key agencies in the central government respectively responsible for the implementation of administrative reform and capacity building. A third government agency identified in the selection process was the DSDC (Department for Strategy and Donor Coordination), which, in conjunction with the Donor Technical Secretariat (DTS), coordinates the work towards the implementation of the PD on behalf of the GoA29. This will be further discussed in Chapter Seven. Public servants at senior and mid-level levels from all these three agencies were interviewed to ensure that the research benefits from a balanced mix of perspectives from officers in both policy development and programme implementation functions. The primary data collected were triangulated via secondary data (statistical reports) obtained from other donor and government sources. For example, triangulation of secondary data was the aim of the interview with an HR officer from the National Institute of Statistics (INSTAT).

Figure 3: Organizational Chart (GoA public organizations as research participants)

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29 An organizational chart explaining the reporting relationships among these key government organizations involved in the research project is presented in Figure 3 (above)
The ‘snowballing’ effect after the first round of interviews (September to October 2010) was also a technique which led to the broadening of the original sample size to include Albanian civil society and in particular NGOs with vested interests in administrative capacity building, with which the researcher had been previously involved as a practitioner. The generic sample selection criteria that applied included the ‘high profile’ nature of those NGOs as well as presence of significant capacity-building elements in their programming. However, in order to avoid data skewing, the participating NGOs were organizations with which the researcher had not been involved with in any capacity in the past. The discussion below is intended to provide additional ‘facts and figures’ about the organizations participating in the research, thus justifying the sample selection criteria applied.

(b) Organizations as research participants

Specifically, a total of 22 organizations selected based on the above criteria and a sample of experienced capacity-building local experts (Category E) participated in the research via semi-structured interviews30. Initially, the process of the sample selection for Category D started with a review of available secondary data on amounts allocated to Albania’s public sector including government and CSOs (Figure 4)31.

![Figure 4: Government and civil society aid to Albania, 2002-2009 (in million US$)](source: DSBC 2008)

Subsequently, in the light of the scope of this research, the selection process narrowed down focusing on aid in terms of the ‘monetary value’ allocated towards ‘public administration reform and capacity-building’ in Albania during the last decade. Thus,

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30 The sample was randomized based on a review of secondary data (documentation such as reports by donors including OSCE, UNDP, WB and EC, where the experts interviewed had contributed).
31 Source: OECD 2009 (amounts represent official development assistance)
monetary value was another essential sample selection criterion in addition to the ‘policy’ criterion discussed earlier. Based on the data available, a sample was selected that included ten international multilateral and bilateral aid agencies, whose significant ‘administrative reform and capacity building’ aid policy component is demonstrated by the highest monetary contributions to the sector during the last decade (see Figure 5)\textsuperscript{32}. These donor agencies included the EU Delegation to Albania (EUD), the WB, the USAID, the GIZ, the SIDA, the ADA, the SDC, the UN, the UK and SNV (the Netherlands). Additional data on the amount of all provided to Albania by individual donors in recent years will be provided in Chapter Five.

Interviews with staff from the OSCE/Albania and the DTS were of purposive nature rather than based on the selection criteria discussed above. These organizations had been carrying out ‘aid coordination and effectiveness’ functions on behalf of the donor community in Albania rather than just providing significant monetary contributions to the sector (at least compared to the above ten). Yet, their participation in the research is essential because of those functions and activities (See Chapter Seven).

**Figure 5: Public administration reform and capacity building aid allocations (Commitments vs disbursements by donor, 2000-2008, in million Euros)**

*Source: DCDC 2008*

<table>
<thead>
<tr>
<th></th>
<th>Commitment</th>
<th>Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>12.87</td>
<td>10.28</td>
</tr>
<tr>
<td>EC</td>
<td>8.45</td>
<td>4.28</td>
</tr>
<tr>
<td>Sweden</td>
<td>4.53</td>
<td>3.43</td>
</tr>
<tr>
<td>UK</td>
<td>3.91</td>
<td>2.26</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3.06</td>
<td>3.00</td>
</tr>
<tr>
<td>US</td>
<td>1.83</td>
<td>1.63</td>
</tr>
<tr>
<td>Germany</td>
<td>1.65</td>
<td>1.12</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.68</td>
<td>0.64</td>
</tr>
<tr>
<td>UN</td>
<td>0.50</td>
<td>0.50</td>
</tr>
</tbody>
</table>

In the case of ‘public servants’ (Category ‘G’), three central government agencies, including the DSDC under the Office of the Prime Minister (PM), the DoPA (under the jurisdiction of the Ministry of Interior) and TIPA (reporting to DoPA), were selected to participate in the study based on the criteria discussed earlier (see 4.4.3.2.a). Those included their direct involvement in related research areas, including aid coordination and effectiveness, reform policy and implementation and training of public servants. Table 5 (below) provides a snapshot of these organizations as research participants.

\textsuperscript{32} Source: External Assistance Report 2008, DCDC, Government of Albania
Table 5: Profiles of key government agencies

<table>
<thead>
<tr>
<th>Organization</th>
<th>Staff</th>
<th>Year established</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Strategy and Doctor Coordination (DSDC)</td>
<td>11</td>
<td>2005 (Government of Albania signs the Paris Declaration on Aid Effectiveness)</td>
<td>Office of the Prime Minister (GoA)</td>
</tr>
<tr>
<td>Department of Public Administration (DAP)</td>
<td>21</td>
<td>1994 (Council of Ministers decree #443)</td>
<td>1994-1999 (Ministry of Interior) 1999-2005 (Prime Minister’s Office) 2005- to date (Ministry of Interior)</td>
</tr>
<tr>
<td>Training Institute of Public Administration (TIPA)</td>
<td>14</td>
<td>2001 (UNDP grant and EC resources)</td>
<td>Department of Public Administration</td>
</tr>
</tbody>
</table>

A second subset of Category ‘G’ included line ministries and other central/local government agencies as beneficiaries of aid-supported capacity-building programmes, specifically the Ministry of European Integration (GoA), the Parliament of Albania, the Ministry of Justice (GoA), INSTAT and the Municipality of Shkoder. As noted earlier, interviews with staff from this group were mostly purposive as they served to triangulate data from interviews with those in the first subset of Category ‘G’ and in Category ‘D’.

As far as Category ‘N’ is concerned, five large NGOs including Albanian National Training and Technical Assistance Resource Center (ANTTARC), Institute for Contemporary Studies, Partners-Albania, the Institute for Development Research and Alternatives (IDRA) and the Open Society Foundation Albania (OSFA) participated in the study. Table 6 provides additional data for the latter (mission, areas of activity, funding etc.).

Focus groups

Focus groups (FGs) or group interviews as an increasingly effective methodological tool used by social science researchers, was a key research method used during the fieldwork. They intended to obtain feedback on the perceptions of key informants on the role of aid on the development of capacities of public servants in the research context. Stephens (2009: 94) describes FGs as ‘valuable in providing interaction around a predetermined topic in which a group of respondents can share and compare experiences and offer a range of opinions which might be difficult to ascertain in one-to-one interviewing or through observation’. Besides, the FGs validate the data obtained from other instruments ‘by adding to them the human element of the voice of multiple subjects’ (Frey and Fontana, 1993: 24). The synergistic effect of a FG (i.e. participants relating to each-other’s experiences) is also considered another advantage of the FGs compared to interviews. Through communication, ‘the focus group methodology has a degree of external validity based on the fact that it is grounded in the human tendency to discuss issues and ideas in
groups, whereby opinions about a variety of issues are generally determined not by individual information gathering and deliberation but through communication with others’ (1993: 54). Thus, they have the benefit of stimulus group discussion, whereby viewpoints may be challenged or verified (Bryman 2001, Robson 2002).

Table 6: NGOs as research participants

<table>
<thead>
<tr>
<th>NGO</th>
<th>Mission</th>
<th>Areas of Activity</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANTTARC</td>
<td>To build leadership through implementation of new, creative</td>
<td>ANTTARC activities include training/ advisory</td>
<td>OSCE</td>
</tr>
<tr>
<td></td>
<td>and effective strategies and initiative for public service and NGOs in</td>
<td>services as well as capacity building programs in organizational development and</td>
<td>USAID</td>
</tr>
<tr>
<td></td>
<td>order to ensure sustainable development.</td>
<td>management, project management, strategic planning, training of trainers, advocacy</td>
<td>UNDP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and lobbying, communication and team building.</td>
<td>SNV</td>
</tr>
<tr>
<td>ISC</td>
<td>To promote and support the development of Albania, through institutional</td>
<td>Under the ‘Rule of Law and Democratic</td>
<td>IOM</td>
</tr>
<tr>
<td></td>
<td>and human capacity development as well as policy development and</td>
<td>Governance’ cluster, ISC maintains a strong ‘public service reform’ focus through</td>
<td></td>
</tr>
<tr>
<td></td>
<td>implementation.</td>
<td>advisory services on civil service legislation; public</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>service career system management, human resources development and capacity-building.</td>
<td></td>
</tr>
<tr>
<td>Partners-</td>
<td>Partners-Albania is a member of Partners for Democratic Change</td>
<td>Through advisory services, training/ teaching</td>
<td>WB</td>
</tr>
<tr>
<td>Albania</td>
<td>International, a partnership of Centers in 20 countries, committed to</td>
<td>and curriculum development, Partners-Albania</td>
<td>SIGMA/</td>
</tr>
<tr>
<td></td>
<td>providing change management training and services for governments/NGOs.</td>
<td>assists its clients in areas including institutional</td>
<td>OECD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>capacity building and strengthening, public</td>
<td>USAID</td>
</tr>
<tr>
<td></td>
<td></td>
<td>communications and regulatory frameworks.</td>
<td>OSCE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>OSFA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BTS</td>
</tr>
<tr>
<td>IDRA</td>
<td>As a public policy institute, IDRA promotes the values of freedom and</td>
<td>As part of its governance component, IDRA provides technical assistance to public</td>
<td>USAID</td>
</tr>
<tr>
<td></td>
<td>democracy for the Albanian society toward the process of integration</td>
<td>administration on capacity-building as well as citizen participation and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>into the European Union.</td>
<td>decentralization.</td>
<td></td>
</tr>
<tr>
<td>OSFA</td>
<td>To strengthen democratic participation and promote more transparent</td>
<td>Under the 2010-2011 strategy, ‘Supporting public administration reform, institutional</td>
<td>CSI</td>
</tr>
<tr>
<td></td>
<td>governance for accession into the EU and reform processes</td>
<td>strengthening and rule of law toward EU accession’ is a priority program</td>
<td></td>
</tr>
</tbody>
</table>

Procedurally, two FGs were organized during the course of the fieldwork research in Albania. The first (FG1) was held in January 2011 with 6 mid-level staff from the division of the policy coordination of the DSDC, as the central government organization responsible for coordinating aid policy and programmes on behalf of the GoA. The FG1 questions were broadly based on both the key research questions and 5-6 emerging themes coming out of the first elite interviews held between September-December 2010. Topics covered included overlapping of donor programmes, effectiveness of evaluation and monitoring mechanisms and the involvement of civil society in capacity-building.
programmes, etc. The FG was held in the premises of the DCDC and conducted in Albanian. Notes from the group discussion were subsequently transcribed into English.

Considering the fact the first of the two FGs was held with public servants, the idea of collecting data from multiple perspectives, i.e. getting data from the donors' side, a key trait of qualitative research, was the purpose behind the second one, FG2. It was organized in February 2011 with 5 representatives from bilateral donor organizations, including SDC, ADA and DTS participating, and made possible thanks to the assistance of DTS staff. Topics covered in FG2 included group dynamics within the donor community regarding aid coordination, challenges faced by donors in implementing capacity building programmes as well as implications of donor agendas for development assistance in Albania. The focus group was held in the premises of the ADA Office in Albania and conducted in English.

Despite some initial difficulties organizing the first of the two focus groups, both of them were successful and generally positive experiences. A key issue with organizing FG1, which required effort, persistence, persuasion and above all time, was getting public servants to agree to attend and participate in the discussion. Thus, initially scheduled for December 2011, it had to be re-scheduled twice due to short-notice cancellations by participants due to ‘other priorities’. As regards FG2, an issue that the researcher as a facilitator perceived was a certain level of discomfort among those participating when issues such as ‘donor transparency’ and ‘conflicting agendas’ came up as part of the discussion. Given that ‘the focus group method necessitates that the moderator’s role, experience, communication competence and style be given consideration’ (Albrecht 1993: 62), organizing them and observing their dynamics including synergistic and stimulus effects was part of the learning experience, which certainly contributed to the researcher’ skills development.

**Secondary data sources**

Throughout the fieldwork research, documentary and content analysis (secondary data sources) as a third research method was actively utilized, complementing both the factual background information and the findings from the primary data. The method proved useful in collecting secondary data and obtaining information and, where available, statistics on respectively: a) activities of aid coordination and effectiveness mechanisms operating in Albania; b) programmes and initiatives undertaken by international and development
agencies on administrative capacity building in Albania; c) national government strategies on administrative reform and HRM in Albania. Most importantly, the benefit of using such a method consists of the fact that documentary analysis indeed ‘helps sociologists and researchers to understand how their accounts are shaped by textual devices’ (Watson 2009: 100). Table 7 summarizes the types of documents accessed during the fieldwork.

Table 7: Documentation (secondary data) sources

<table>
<thead>
<tr>
<th>Type of Document</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational reports</td>
<td>Training of Public Administration Institute Strategy for Implementation 2011-2013 (TIPA)</td>
</tr>
<tr>
<td>Consultant reports</td>
<td>Implementation and Completion Results Report 2007: Public Administration Reform (PAR) Program (WB Albania Office)</td>
</tr>
<tr>
<td>Academic papers</td>
<td>Enlargement Instruments and Domestic Constraints Public Administration Reform in Post-communist Albania (EUI 2009),</td>
</tr>
<tr>
<td>Internet sources</td>
<td>Commission Opinion on Albania’s application for membership of the European Union (EC 2010)</td>
</tr>
</tbody>
</table>

Procedurally, in addition to the secondary data sources, which included documentation made available through organizations such as the DoPA, the personnel office in line Ministries and the DTS in the main research site (Tirana, Albania), the study has benefitted from the researcher’s participation in the Researcher-in-Residence (RIR) programme of the Office of the OSCE Secretariat in summer 2010, designed to assist researchers with data in support of their academic research projects. The researcher was granted access to the OSCE’s reference library, topical compilations, archival materials and digital files consisting of books, monographs, periodicals as well as field activities, action reports and press releases on Albania and Western Balkans as well as bibliographical support. Such opportunity has been a value-adding factor in conducting this research.

4.4.4 Data Analysis

This research study recognizes that qualitative research involves ‘almost continuous and certainly progressive data analysis from the very beginning of data collection and the product of such analysis is a creation that speaks to the heart of what we have learned’ (Ely, M. et al, 1991: 140). Moreover, in the light of Flyvbjerg’s (2001) argument, the strength of qualitative social science research lies not in attempting to imitate scientific methodologies but rather in getting close to reality and placing power at the core of analysis. Thus, ‘categorizing the interview and focus group data into thematic areas, referred to as thematic analysis’ (Boyatis, 1998: 4) has been adopted as a specific analytical approach. From a
conceptual perspective, the use of such an approach is consistent with the adapted Dolowitz and Marsh (1996) policy transfer framework as a tool for analysing the data.\footnote{See Table 2}

Data analysis is a process of organizing the data collected into analytically distinct categories that can then be examined together thus facilitating the relationships between variables when drawing conclusions concerning one or more topics and/or research concepts (Maxwell 2005). However, it is important to bear in mind that, in interview-derived accounts, the proper analysis of the interview material is far from straightforward (Atkinson et al 2003). Therefore, during the ‘analysis’ stage of the interviewing process, focusing on skills such as remembering and synthesizing has been critical. This was the stage where the researcher was responsible for turning the interview material into reliable and verifiable data. Maintaining a reasonable level of objectivity in interpreting the results of qualitative interviewing was also considered as part of the challenge as ‘one needs to move away from descriptions, especially using respondents’ terms, to a more categorical, analytic and theoretical level of analysis’ (Gibbs 2007: 42).

The same approach (i.e. thematic analysis) has been used in analyzing data from FG transcripts. The analysis of group discussions has been helpful in the process of triangulation, as a technique which ‘compares different kinds of data and different methods to see if they corroborate one another’ (Silverman 2001: 233). Triangulation also ensured the validity of the data gathered through interviews and FGs, ‘a process through which we make claims for the trustworthiness of our interpretations’ (Riessman 1993: 65). As Frey and Fontana (1993: 24) have noted, ‘by allowing opinions to bounce back and forth and be modified by the group rather than being the definite statement of a single respondent, group interviews allow us to elaborate statements and realize the categorical nature of many statements made by the respondents’. However, given the qualitative nature of the data gathered through the FG method, ‘a certain amount of subjective judgment is necessarily involved in their interpretation and analysis’ (Knodel, 1993: 43-45). Finally, as regards the documentation analysis, a categorical and structural analytical approach (Labov & Waletzky 1967, Franzosi 1998a) has been generally employed. In the context of this research, triangulation has been used as a strategy to deal with the threats to the validity of the key methodological instruments (especially interviews and focus groups) such as ‘the level of
trust, researcher bias as well as disclosure level’ (Albrecht 1993: 63), concerns which the researcher has been aware of during all of the research activities undertaken.

### 4.5 Ethical Considerations

A researcher’s ethical responsibilities include the overarching principles of academic integrity and as Mason (2001: 41-79) argues ‘there are always ethical concerns connected to any one particular project’. More specifically, ‘ethical issues in planning and executing the research center on access, consent and participants’ protection’ (Punch 2006: 56). Based on this premise and in compliance with the University of Manchester’s policies for conducting research, ethical approval has been sought from the appropriate structures to ensure the overall research integrity, respect for the consent of the subjects participating in the research as well as protection of confidentiality of the information provided, reproduced and analysed through the research. To this end, the study went through a formal ethical review process by the University’s Ethics Committee in May 2010 (see Appendices). The purpose of the discussion below is to address some of those ethical considerations and the steps undertaken to ensure ethical compliance during the field research activities.

From the inception of the study, it was believed that the main reason why ethical considerations are important is primarily because the research addresses controversial issues such as aid and domestic politics as related to administrative reform and the EU accession process. As Sieber (1993: 14) points out, ‘ethics and politics are intertwined in sensitive research; moreover, the task of recognizing and resolving ethical and political problems is made difficult, and at times impossible, because other parties have motives and perceptions quite different from those of the researcher’. However, despite the challenges, the researcher was mostly content with the willingness of donor representatives, Albanian public servants and NGO activities giving their time and honest opinions to the research.

The ethical considerations as relevant to this study can also be viewed from the perspective of the implications of the use of qualitative research for purposes of public policy, which the study benefits from. As Rein (1976: 88) has commented on the problems of ethics in this context, ‘we need to consider the difficulties that arise and when the roles of the active person (policy maker) and the knowing person (social scientist) are blurred’. A policy-relevant social science must proceed from the premise that thought and action cannot be separated (ibid). On the one hand, ‘we need to bear in mind that case studies often deal
with matters that are of public interest but for which there is neither public nor scholarly right to know’ (Denzin & Lincoln, 2008: 140). On the other hand, ‘we should be as concerned to produce an ethical research design as we are to produce an intellectually coherent and compelling one’ (Mason 1996: 29).

Most importantly, this research has been guided by the transparency and confidentiality of research, as ethical principles, whereby ‘the anonymity and privacy of those who participate in the research process is essential and as such, should be respected’ (Elliott, 2005: 142; Seale, 1998: 118). To ensure transparency, the researcher clearly explained the purpose and content of the study both in writing and verbally prior to each interview to all key informants. Besides, all the formal requests for interviews were always accompanied by supporting letters from the research supervisor at the University of Manchester confirming the academic nature of the study. The consent obtained by key informants to participate in the study has also been documented in follow-up letters acknowledging their participation in the research and indicating that information communicated via interviews and focus groups would be used confidentially and for academic purposes only (see Appendices).

Maintaining confidentiality is also important in terms of the long-term goals of the researcher, which go beyond the spectrum of this study. As the dissemination of its results to participating institutions and subjects might be something to be explored in the future, ‘the responsibility to preserve confidentiality has consequences for decisions to make data available’ (Hollway & Jefferson, 2000: 90). Indeed, some of the participating subjects (interviewees and FG discussants from both the Albanian public service and the donor community) have clearly indicated to the researcher their desire to have access to the findings of the study. Their collaboration being key to the quality of the study, transparency and confidentiality have been taken very seriously in all the field research activities.

However, ensuring research transparency and confidentiality is only part of what has been referred to as ethics, morality and politics in research strategy and design. The use of qualitative interviews as a data generation method raises a number of general ethical issues. Thus, while investigators have an ethical obligation to identify the research project with enough clarity and detail for people to make a fully informed decision about whether they would like to participate, this obligation is often in tension with the need to avoid communicating the investigator’s ideological or political leanings or general hopes for study findings (Sriram 2009). As Mason has noted, ‘however ‘objective’ you try to be in your
records, you are continually making judgments about what to write down or record, what you have observed, heard or experienced, what you think it means’ (Mason, 1996: 52). Recognizing the ‘downside’ of his position, which, as the experience showed, often made it difficult for to stay neutral to or completely detached from the opinions of individuals or subjects being investigated, the researcher did his best to reflect the opinions of those interviewed genuinely, truthfully and with as little bias as possible.

The question of conflicting interests between the goal to produce a high calibre, genuine and in-depth research study and the agenda of those participating in the research is worth addressing. As Rein (1976: 100) argues, ‘we need to recognize the intractable conflict of purposes between political decision-making, which is about the power of competing interest groups, and analytic research, which is about rational problem solving’. Therefore, another ethical aspect, the need to refrain from making biased observations and statements about the political context of the research has been recognized as it is a known fact that ‘the conclusions and implications drawn from social science research study are largely grounded in the moral and critical beliefs of the researcher’ (Silverman 2001: 270).

With regard to documentary analysis, issues around the access to restricted documentation made available by the Office of the OSCE Secretariat to the researcher as a registered participant in the RIR are a case in point, illustrating ethical aspects surrounding the use of secondary data. Thus, during the stay at the OSCE Secretariat in summer 2010, the researcher was bound by a written agreement whereby ‘printed documents and electronic files labelled ‘Restricted’ or ‘OSCE+’ could not be photocopied, reproduced, disseminated or quoted directly in any article or academic work’. However, the researcher was still given access to documents for scrutiny, note-taking and extracting information for purposes of research analysis. Recognizing that unauthorized use of secondary data sources might pose disadvantages to OSCE, its participating states or donors in the field, the researcher strictly adhered to the regulations of the OSCE Secretariat and applied the same practice in dealing with all other reports and publication he was given access to during the fieldwork research.

### 4.6 Constraints, reflexivity and lessons learned

Despite the high volume and good quality of data generated via interviews and FGs as part of the application of a case study method to a qualitative research study such as this one, the relatively loose nature of data collected must be recognized as a limitation. To address
this concern, secondary statistical data corroborating assumptions deriving from the literature review and initial findings based on the views and accounts of interviewees were gathered. These were obtained from sources on-site and preliminarily analysed while conducting fieldwork research. It led to a mix of primary qualitative primary and secondary quantitative data while the researchers’ efforts focused on maintaining the qualitative nature of study. Management of large volumes of information became a challenge as fieldwork progressed and especially in the last few months in the field as more key informants and organizations participated in the research as a way to broaden its scope.

Patience and perseverance paid off in making most of the scheduled interviews happen and conducting them successfully. However, the unavailability of some high-ranking officials from the Albanian public service for interviews was perhaps a limitation to the study. Such was the case of the Office of the Minister of European Integration (MoEI) who never responded to calls and formal letters requesting interviews. From a reflexivity viewpoint, efforts were also made to have a gender balance in the choice of interviewees, reflected in 50%-50% ratio between male and female interviewees. None of them identified themselves as belonging to certain religious or ethnic group within Albania. Besides, efforts to ensure validity of the data collected translated into some difficulties in the triangulation process, which often necessitated going back to the data sources. In this context, interpreting the data gathered from interviews with public servants (in many cases, political appointees) and triangulating those data with perspectives from NGO or independent experts was somewhat of a challenge, which was overcome by constant attempts on the researchers’ part to verify and validate the data accuracy by checking with all sources involved.

The significant lesson learned during the fieldwork experience was that flexibility needs to be demonstrated while dealing with the reality in developing country contexts. In this case, as a primary investigator of this research project, the researcher tried to demonstrate flexibility by adjusting sector, institutional and thematic aspects of the study. As mentioned earlier, once in the field, the research scope was expanded to include more aid-supported NGOs interested in administrative capacity building. Likewise, there were changes to the list of donors from those proposed in the original research plan. Thus, the focus was on key informants (such as EUD and WB Offices in Albania), which as the reality in the field revealed, are leading actors in administrative reform and capacity building.  

34 European Union Delegation
4.7 Conclusion

This chapter has discussed methodological issues surrounding the research study, ranging from its orientation towards qualitative research as overarching research methodology to research method and instruments for data collection and analysis and ethical considerations and reflections over the fieldwork research in Albania. To begin with, despite the fact that the research does not subscribe to a specific paradigm, the research has drawn on some of theoretical underpinnings of those paradigms thus providing a rationale for why qualitative research is most appropriate for the context of this research. Such a methodology allows for a more flexible treatment of variables of a study which has taken place in a transitional, complex and constantly changing political and administrative environment, where views and perception of actors involved are essential to the interpretations of study findings. Most significantly, qualitative research serves the ultimate aim of the study, which is to add value and challenge quantitative approaches used by the international aid organizations in measuring aid effectiveness (see Chapter One) especially in a country where the lack of reliable quantitative data poses a challenge to research practice.

In light of the benefits and limitations of the qualitative research methodology, which the chosen research paradigm mostly identifies with, the researcher has elaborated on the thinking process behind the research design, in a way which has helped to coherently connect the methodology to the research questions. Central to the research strategy of this study is the case study method, which has been selected based on key advantages such as replicability and generalizability, whereby the case study of Albania might as well be used as an “illustrative” case for the study of aid policy and administrative reform and capacity building for EU accession on a regional level. The discussion detailed the research instruments used to collect the primary data, including 38 elite interviews, 2 FGs and documentary analysis. Facts and figures on aid contributions towards administrative reform and capacity building have been instrumental to the criteria for the selection of research participants. Some purposive sampling was otherwise used to ensure a broader research scope. Based on a thematic analysis approach, the ‘policy transfer’ conceptual framework, adjusted to fit the research context, is used as a broad platform for data analysis.

Lastly, steps taken to ensure research transparency, protection of both research participants and data confidentiality are described as part of the fieldwork experience in Albania, where practical and logistical challenges were encountered, which were successfully overcome.
Chapter 5. ALBANIA: A COUNTRY CONTEXT

5.1 Introduction

This chapter examines the country background of Albania, where the research has taken place. Initially, it provides information on its location, demographics and pre-communist history. The discussion then focuses on the years of the communist rule, during which time the country allegedly experienced one of the most brutal communist regimes in CEE, which had almost completely isolated it from contacts with the outside world for over four decades (1944-1990) (Rama 2006). This is followed by an overview of the post-communist period characterized by a difficult transition to a democratic and market-led system. As will be argued later, this had exposed the country to the imperative need to re-build the state and most importantly for the context of this research, public administration reform. The process has been heavily supported by the EC, the OECD, the WB and others. Since the early 1990s, the latter had engaged in assessments of the regulatory framework and HRM practices within the public sector especially as related to the EU accession process. The final part of the discussion provides an overview of the presence and role of international aid organizations in administrative reform and capacity building, which leads to empirical Chapters Six and Seven. This chapter will also introduce the engagement of aid organizations with administrative reform and capacity building on a country level within the scope of policy transfer (see Chapter Three), which will be discussed in Chapter Eight.

5.2 General background

The Republic of Albania is a middle-income country in the SEE (Western Balkans). It is bordered by Montenegro to the northwest, Kosovo to the northeast, Macedonia to the east and Greece to the south and southeast (GMFUS 2011). It has a coast on the Adriatic Sea to the West and on the Ionian Sea to the Southwest and is less than 72 km (45 miles) from Italy, across the Strait of Otranto which links the Adriatic Sea to the Ionian Sea (ibid). The Albanian capital, Tirana, is home to approximately 727,000 of the country's 3.6 million people, and it is also the financial capital (see map, Figure 6). A parliamentary democracy and transition economy, Albania is a member of the UN, NATO, OSCE, the Council of Europe (CoE) and the World Trade Organisation (WTO) (Brademas 2001). It is also one of the founding members of the Union for the Mediterranean and an EU 'potential candidate country' since January 2003 (ibid).
5.2.1 A snapshot of pre-communist Albania

Prior to the 20th century, Albania was mostly under foreign rule. During five hundred years since the 14\textsuperscript{th} and 15\textsuperscript{th} centuries when the Ottomans swept into the Western Balkans, about two-thirds of the historically Christian Albanian population, including its most powerful feudal landowners, succumbed to the Ottoman forces and converted to Islam despite a quixotic defence mounted by the Albanians' national hero, King George Castriotti, known as Skanderbeg (CountryWatch 2007). After the Ottoman Empire's defeat in the First Balkan War in 1912-13, Albanian leaders declared Albania independent on November 28, 1912 but Europe's Great Powers carved out the newly independent state after the Second Balkan War of 1913 (Brademas 2001). In 1928, Albania became a kingdom under Zog I, the conservative Muslim clan chief and former prime minister, who failed to stave off yet another external threat, Italy’s efforts for ascendency in Albanian internal affairs (ibid). Eventually, in 1939, Italy, under Benito Mussolini, overthrew Zog and annexed the country but, following Italy's surrender to the Allied Powers during World War II in 1943, German troops occupied Albania (EBSCO 2010). After the country was liberated from the Germans in November 1944, the Albanian Communist Party, founded in 1941 (with the back-up from the Yugoslav Communist Party) – or, the Albanian National Liberation Front Movement (LANÇ) as it was known after the war – led by Enver Hoxha and other hard-line communists, eliminated anticommmunist opposition within the Party (ibid)\textsuperscript{35}.

The LANÇ movement was later transformed into the Democratic Front\textsuperscript{36}. It preceded the creation of the first communist government under the Albanian Labour Party (or PPSH\textsuperscript{37}), which, once in power, aimed at a total control of political, cultural, and economic life in Albania and started a wave of persecutions against real or imaginary political enemies (Hiorth 2012). Thus, under Hoxha’s leadership, PPSH reorganized the country's economy, army and education system under a strict Stalinist doctrine, inspired by which it pursued a rigorously dogmatic line in domestic policy by instituting highly centralized economic planning based on ‘self-sufficiency’ (while expropriating land and property owners “in the people’s name”), repression of political resistance and exercising rigid restrictions on educational and cultural development (EBSCO 2010). PPSH ruled over the country for four and half decades (ibid) until the Revolution of 1989, which marked the fall of communism in CEE countries including Albania (ibid).

\textsuperscript{35} Albanian: \textit{Lëvizja Antifashiste Nacional Çlirimtare} (LANÇ)

\textsuperscript{36} Albanian: \textit{Fronti Demokratik}

\textsuperscript{37} Albanian: \textit{Partia e Punës e Shqipërisë} (PPSH)
Figure 6: Map of Albania

5.2.2 The communist rule (1944-1990)

During the years of communism, Albania experienced one of the harshest and idiosyncratic communist regimes in CEE, which led to the country’s complete isolation from the rest of the world (Rama 2006). The communist regime repressed and impoverished the population at home, to a point where, in addition to being the scene of some of the worst human rights abuses in post-World War II Europe, it became the poorest country in Europe, despite having considerable natural resource wealth (ibid). The extremism of Hoxha’s political regime in Albania led to it becoming increasingly isolated, especially from 1970 onwards. Diplomatic ties were broken off with Yugoslavia in 1948, for reasons connected to the mistreatment of the Albanian ethnic population of Kosovo, and with the Soviet Union in 1961 over ideological differences in which Albania accused the post-Stalinist regime of Nikita Khrushchev of being ‘revisionist and treacherous’ to Stalin’s communist regime. With China, the remaining ally, there were years of alienation before the eventual break in 1978. Meanwhile, the communist regimes in the latter countries had acquiesced at least to some political and economic reforms (CSCE 1994).

Domestically, during the four and half decades under communism, the people of Albania lived in enforced isolation, subjected to the cruelties, propaganda and brutal police measures by what was the most severe totalitarian regime in Europe until Hoxha’s death in
1985 (Hamilton and Solanki 1992). Class war and communist persecution affected all classes of Albanian society but it was particularly targeted against intellectuals who had been educated abroad in the traditions of Western culture (Topalli 2010). Under the communist rule, religion was also abolished and the clergy were persecuted. Thus, in 1967, Albania officially proclaimed itself to be ‘the first atheistic state in the world’ (Hiorth 2012). All religious institutions were closed and religious officials were forbidden to exercise (ibid). A 1989 human rights study identified Albania as ‘the worst abuser of religious liberty in the world’ (Jacques 1995: 8). The saintly Nobel Prize winner Mother Teresa (Agnes Gonxha Bojaxhi), an Albanian herself, was not allowed to enter her country until 1989.

According to the first report of the Helsinki Commission (the Commission on Security and Cooperation in Europe), the violent 1989 overthrow of the Ceausescu regime in Romania had a particularly heavy impact in Albania in that it demonstrated that even the more hard-line communist leaders could be removed (CSCE 1994). It was during 1989-1990 that the country began to move away from isolation, thus paving the way for a new era, ending domestic repression, tolerating political pluralism and re-establishing bilateral relations with the USA, Soviet Union and other countries (ibid).

5.2.3 The transition and post-1990 era

The post-1990 era was characterized by a chaotic state and the further deterioration of the Albanian economy despite substantial foreign aid but it was followed by the initial success of the first post-communist government led by the Democratic Party (DP)38. Through determined adjustment efforts and substantial donor support, this government managed to halt the economic collapse of the early transition years and initiate a strong recovery that lasted until 1996 (WB 2010). Severe civil disorder in 1997 following the collapse of the ‘pyramid schemes’ crisis left thousands of Albanians bankrupt; armed revolts across the country led to the near-total collapse of government authority and an anarchy which alarmed the world and prompted intensive intervention by international organizations mostly led by the OSCE (EBSCO 2010). That crisis was followed by a severe political gridlock in 1998, which brought the Socialist Party (SP), a successor to the PPSH (see above), to power. The situation was exacerbated by the outbreak of the Kosovo crisis in 1999, when NATO took action in response to Serbia’s ethnic cleansing campaign against Kosovar Albanians. During that time, the GoA had to provide refuge to thousands of

38 Albanian: Partia Demokratike
displaced Kosovars. Ever since, there has been increased Western interest in Albania’s economic and political stability (WB 2010).

Despite the efforts of the transition governments and in particular those of the first post-communist government led by the DP during 1990-1997 to adopt more liberal economic and political reforms, Albania had still gone through a difficult political transition from a communist to a market-oriented system. In particular, the socio-economic outburst which followed the ‘pyramid schemes’ scandal of 1997, when the Albanian state ceased to exist for some months, exposed the country to the fundamental problem of a weak state and unreformed state institutions (Elbasani 2009). Subsequently, political instability and rifts between the main political parties, DP and SP, amidst accusations of fraudulent election results and boycotts of parliament continuing through the early 2000s, often halted government business and hindered the release of aid from major donors such IMF and WB (CountryWatch 2007). Despite the above, since 2003, Albania had commenced initial discussions with the EU in regard to the Stabilization and Association Agreement (SAA), which is regarded as the first step towards the process of EU accession (ibid).

Amidst corruption accusations, SP lost its majority in the elections of 2005 and the DP led by the current Prime Minister Berisha returned to power, pledging to fight crime and corruption, to decrease the size of the government and to promote economic growth (EBSCO 2010). In June 2006, the GoA signed the SAA Agreement with the EU. In April 2009, Albania became an official NATO member country and at the same time submitted its application for EU membership, both considered major milestones in the country’s history (ibid). As part of the SAA, gender equality has also become a part of the mainstream political agenda, where the percentage of women elected in the parliament has increased (GoA 2008). Today, Albania continues to pursue a Euro-Atlantic integration agenda (ibid).

Nevertheless, tremendous roadblocks still lie ahead for Albania on its road to EU accession and the country still shows some severe internal problems that could slow down the process of modernization; corruption, for example, is still a big challenge and seriously damages the country’s economic potential (EFDS 2012). Besides, elections do not meet international democratic standards. Thus, although the parliamentary election of 2009 and the local election of 2011 marked tangible progress and various improvements, the latter
were overshadowed by the politicisation aspects of the process and violations, which undermined public confidence in the governance process (OSCE 2009, 2011).

As of November 2010, the European Parliament has approved a visa liberalization regime for Albania (as well as Bosnia) in the Schengen zone (BalkanInsight 2010). However, at the same time, due to shortcomings particularly in the political sphere, Albania’s application for EU membership submitted in 2009 (see above) was rejected (AMFA 2012). A political deadlock which started in September 2009 over alleged electoral fraud culminated in January 2011, when the opposition called for anti-government corruption protests, drawing parallels to pro-democracy movements happening in North Africa and the Middle East in 2010. This heightened the political tension within the country, raising concerns in the international community for the country’s government stability and seriously impeding the chances of EU accession (USIS 2011). Part of the fieldwork research was conducted during the political turmoil of January 2011, which was a challenge in itself. The EU’s Opinion on Albania’s application for membership included a set of 12 key priorities to be fulfilled in view of an opening of accession negotiations; public administration reform appeared at the top of the priorities’ list (EC 2010)39. Despite the EC’s declaration in October 2012 that ‘Albania will be granted EU candidate status provided it delivers key reforms in the judiciary, public administration and the functioning of parliament and that the June 2013 parliamentary elections will be an important test to the process’ (EP 2012), such status has not yet been granted. The discussion below will address the implications of domestic politics and the EU accession process for administrative reform and capacity building. Broadening its scope beyond the EU, this thesis will then interpret the above in the light of the national politico-administrative context and aid conditionality (Chapter Eight).

5.3 Dimensions of administrative reform: domestic politics and EU accession

In a broader geo-political context, administrative reform as a chronically debated subject in Albania (as well as in other SEE countries) has been associated with the need to strengthen public institutions and enhance their effectiveness through merit-based civil service

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39 The 12 key priorities/recommendations identified by the EC Opinion include: i) public administration reform; ii) establishment of political dialogue and proper functioning of the parliament; iii) adoption of pending laws requiring a reinforced majority in parliament; iv) reform of the electoral code in line with OSCE-ODIHR recommendations; v) elections conducted in line with European and international standards; vi) appointment of the Ombudsman & High and Constitutional Court; vii) independent functioning of the judicial system; viii) combating corruption; ix) tangible results on fighting against organized crime; x) respect of property rights; xi) protection of human rights and vulnerable groups; xii) improvement of treatment of detainees in police stations, pre-trial detention and prisons (EMA 2011)
management thus improving their performance and instilling confidence in public institutions. As noted earlier, in the case of Albania, despite the efforts of the international community to build democratic institutions and assist economic development, these processes were also hindered by ‘the entrenched and bitter rivalries and deeply rooted antagonisms within the Albanian political class’ (Pettifer and Vickers 2007: 20). Indeed, this research study is based on the premise that both the difficult transition from a totalitarian regime to a democracy and the adverse political climate which characterized Albania in the last two decades had an impact on the public administration, thereby necessitating its imminent reform and capacity building.

Thus, it has been maintained that, despite the initial democratic reforms and liberal economic policies throughout 1990s and later on, eventually leading to a somewhat improved economy and reforms in infrastructure development in the last decade, the bureaucratic policies and practices of short-lived governments succeeding one another had serious implications for the public administration (USIS 2010). These were reflected in a highly politicized civil service culture, where political appointments and even politically motivated dismissals in the public service became pervasive especially in the early to mid 1990s (Loughlin and Bogdani 2007, Tafili 2008). Such a culture only added to the erosion of public trust in institutions, already rooted in the deep injuries that the state machinery of the past communist regime left in the Albanian society (Repishti 1996).

More specifically, assessments of international aid organizations concluded that despite the existence of a legal and institutional basis for HRM within government, civil service management practices have not evolved sufficiently (OECD 2002). After failed attempts to introduce a civil service law in 1996, the law on ‘The Status of the Civil Servants’ adopted in November 1999 is considered as the beginning of efforts to create a depoliticized, merit-based civil service encompassing a cadre of professional, technical and managerial positions within the administration⁴⁰. However, challenges persist in relation to the implementation of that law (RESPA 2010). More recent EU reports have concluded that little progress has been achieved in the area of public administration and while the legal framework is largely in place, its implementation remains problematic (EC 2009).

Indeed, following the pattern of the first years of transition, when the state institutions were filled with political activists solely on the basis of political criteria, politicization and

⁴⁰ This will be discussed in detail in Chapter 6
nepotism continue to be persisting in wide parts of the public administration (Elbasani 2009). Thus, the criticism of aid organizations points to high levels of politicization hindered by a pervasive lack of understanding of the need for, or by a willingness to implement a real separation between political and administrative levels in the Albanian administration (OECD 2006). In an environment where corruption and ineffective law enforcement are prevalent in many areas including public administration, the professionalization of the civil service requires serious attention (OSCE 2010). However, the above are not isolated incidents but rather typical in smaller, middle-income countries. It is not necessarily an “Albanian phenomenon”.

With regard to the administrative capacity building per se, although the key provisions of the aforementioned civil service law set forth uniform regulations on conditions and procedures for entering the public service, established classification of civil servants and hiring in the public service (DoPA 1999), the noticeable loophole of the law is the lack of provision for training and capacity development for civil servants. As will be revealed in Chapter Six, it was not until 2000 that the first institutional initiative, based on a Council of Ministers Decree No. 315 “On Training of Civil Servants”, provided for the basic regulations in relation to the training of civil servants in Albania (ibid).

As noted earlier, to achieve the milestone of EU membership, ‘Albania is also pursuing policies consistent with the SAA, which lay out a political, institutional and economic orientation plan to be implemented prior to consideration for EU accession as part of the ‘acquis communautaire’ requirements’ (OECD 2008: 2). As part of this plan, the GoA has recently embarked on an effort to draft an administrative reform strategy, which includes ‘a civil service reform that would bring it closer to European principles’ (SIGMA 2009). However, the EU assesses that “enhancement of the impartiality of public administration and establishment of an independent, merit-based professional civil service” is one of the political criteria which constitute a key conditionality for EU accession (DSDC 2010: 19). Yet, under the terms of IPA (Instruments of Pre-Accession), Albania accesses EU assistance for general capacity-building rather than for human resources management, which only EU official ‘candidate countries’ do (IPA 2009)\textsuperscript{41}.

\textsuperscript{41} IPA (Instruments of Pre-Accession) is the streamlined mechanism created by the EU to deliver aid efficiently to the Western Balkans
Thus, through the SIGMA/OECD initiative (see Chapter Two, fn 4), the EU has recommended amendments to the regulatory framework for the management of public service ‘by enlarging its scope and ensuring a merit system in recruitment, tenure and stability of civil servants; strengthening of the capacity of DoPA for civil service policy and management and protection of independent institutions monitoring its implementation’ (SIGMA/OECD 2009: 26). However, in the context of Albania (and other counties in SEE), it is still arguable whether the application of conditionality does or does not sufficiently work, a practice which to date the EU and other donors have applied only when they thought it necessary to put pressure on the Albanian authorities (Hoffman 2005, Elbasani 2009). The role of EU and other donors in relation to administrative reform and capacity building will part of the discussion below.

5.4 International Aid and Capacity building

5.4.1 A regional context

As discussed in Chapter Two, following the collapse of communism, public sector reform in the CEE countries has been central to ‘good governance’ programmes supported by international aid organizations. Thus, the BWIs, i.e. the WB and, to a lesser degree, IMF, which although originally focusing most, if not all of their efforts on structural adjustment, ensuring financial stability rather on broader development issues, have increased their direct involvement in development across the region (Riddell 2007). Such strategy was consistent with the Washington consensus, their ‘new aid framework’ within which, ‘instruments of aid, stabilization and structural adjustment programmes, were oriented towards assisting the internal restructuring of their economies’ (Mosse and Lewis 2005: 4).

The above arguments can most probably be explained by the fact that international aid organisations are, to lesser or greater degrees, enthusiastic believers in the ‘appropriateness’ of their development efforts (McCourt and Minogue 2001: 9). Besides, as Mosse and Lewis argue (2005: 4), ‘international aid in C/SEE in the early years after the fall of communism became underpinned conceptually by the framing of development goals not in terms of national economic development but rather in terms of establishing conditions for successful participation in international markets and for the role of governments to secure conditions for such participation including the rule of law, anti-corruptions measures and accountable and effective government’. While some believe that, on a larger scale, aid to C/SEE has been practically negligible, ‘aid programmes in a number of countries in region
(i.e. the new EU members) have formed part of the EU ‘cohesion policy’ designed to step up the economic growth in the member States’ (Böhning and Schloeter-Paredes 1994: 46). This research is build on the premise that international aid in the case of countries of the SEE including Albania is increasingly and almost entirely focused on reform as linked to the goal(s) of EU integration and meeting the acquis requirements.

Thus, since the early 1990s, international and regional initiatives have been underway to improve the development of the SEE region in particular, mainly through democratisation and state-building. To this end, in July 1999, forty countries met in Sarajevo (B&H) and agreed to provide the financial support for a Stability Pact to assist the region in rebuilding its infrastructure and in promoting economic liberalization, respect for human rights and democratization (USIS 2007). This would replace the previous, reactive crisis intervention policy in SEE with a comprehensive, long-term conflict prevention strategy in order to achieve stability in the whole region (SPSEE 2007). Under the auspices of the Pact, nowadays replaced by the Regional Cooperation Council, numerous aid programmes have been undertaken by international financial institutions such as the WB and increasingly by the EU and regional agencies including the EC, the CoE, the OECD and the Open Society Institute (OSI) (ibid). By contrast, the orientation of efforts by other donors including UNDP, U.S.AID, GIZ, ADA and SIDA has gradually moved from ‘state-building’ towards ‘good governance’, whereby ‘administrative reform has become the sine qua non component of placing the countries of the region on the path of sustainable change and good governance’ (Elbasani 2009: 77). Nowadays, the efforts of the international community to assist the SEE boil down to IPA in support of the new focus of the EU strategy for enlargement, containing components such as general capacity building, cross-border cooperation, regional development, HRM and rural development (IPA 2009).

5.4.2 International aid organizations operating in post-communist Albania

More specifically for the context of Albania, since the end of communism, various international organizations including UN agencies such as the UNDP and the UNHCR, BWIs, EU agencies such as the EC and the CoE as well as several bilateral donors (see 5.4.1) have provided development aid in fields such as democratization, economic and social development, security and public order (DSDC 2008). Since 1997, upon the initiative of the OSCE, the Friends of Albania (FoA) Group served as the main forum for discussion.

IPA (see fn 41) will be discussed in greater detail in Chapters Six, Seven and Eight.
of political issues and development strategies, thus ‘bringing together multilateral and bilateral organizations in an effort to improve coordination of international assistance in Albania’ (OSCE 2000: 24). The role of FoA and current aid coordination/effectiveness mechanisms of transfer (see Chapters Two and Four) will be discussed in Chapter Seven.

Besides, especially in the early 1990s, a number of Middle Eastern states and Turkey had also provided development assistance to Albania. However, after significant levels of Middle Eastern support, particularly in the cultural sphere, sources of such aid were viewed by some as a potential impediment to the country’s acceptance by Western supranational institutions (Hall 2001). The counter argument has been that Albania could exploit receipt of both Western and Eastern sources of support by claiming to be a bridge between cultures, a role which aid recipient EU members Cyprus and Malta have also claimed (ibid). Thus, in 1998, reinforcing the position of a nation, which sees itself as embedded with the EU institutions, Albania withdrew from the Organisation of Islamic Conference (OIC), of which it had been the only European member since 1993 (DPA 1998).

Although the effects of international organizations on local events and the country’s political and socio-economic development have been much less significant than could have been expected in the aftermath of the Dayton Accords in 1995 and the post-Kosovo crisis in 1999 (Pettifer & Vickers 2007: 22), the shift towards ‘good governance’ as part of the global and regional paradigm of international aid is evident in Albania as well (see 5.4.1). Thus, during the last decade, aid organizations have been supporting technical assistance (TA) initiatives to enhance the governance capacities of both public and non-profit sectors. The EC appears to be a lead donor, which through its CARDS and IPA programmes seeking to promote development cooperation between EU and Albania, disbursed a total of €471 million targeting broad priorities within the EU accession agenda (GoA 2010).

During 2000-2010, ‘ten multilateral and 26 bilateral donors (whose contributions respectively constitute 49% and 51% of the total aid) provided a total of €3,7 billion in grants (58%) and loans (42%) to Albania (DSDC 2010). Sources within the GoA claim that ‘with the country achieving middle income status in 2008, aid in the form of loans has recently overcome aid in the form of grants by 10%, a tendency which is likely to continue with a number of bilateral donors phasing out, while disbursement rates have increased as a

\[\text{Administrative reform and capacity building initiatives under CARDS (Community Assistance for Reconstruction, Development and Stabilisation in the Balkans) and IPA (see fn 41 & 42) will be discussed in Chapter 6}\]
result of the GoA allegedly gaining capacities for planning and implementation of aid-supported programmes in recent years’ (ibid: 14). The largest multilateral donors are the EC (providing grants in the amount of €545 million) as well as the EIB, the WB, the EBRD and the CEB (providing €1.021 billion in loans), altogether accounting for 42% of the total international aid’ (DSDC 2011: 13). As for bilateral organizations, the largest donors are Germany, Italy and Japan (providing grants and loans) as well as the US and the Netherlands (providing grants) all of which account for 27% of total aid (ibid). Table 8 (below) summarizes all aid provided to Albania in both grants and loans by donor and disbursement (compared to commitment) from 2000 to 2010:

Table 8:  
International aid to Albania (committed vs. disbursed), 2000-2010 (mill. €)

<table>
<thead>
<tr>
<th></th>
<th>EC</th>
<th>Germany</th>
<th>Italy</th>
<th>WB</th>
<th>EIB</th>
<th>EBRD</th>
<th>Japan</th>
<th>USG</th>
<th>CEB</th>
<th>Netherlands</th>
<th>Switzerland</th>
<th>Sweden</th>
<th>Austria</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Committed</strong></td>
<td>545</td>
<td>347</td>
<td>309</td>
<td>279</td>
<td>275</td>
<td>270</td>
<td>142</td>
<td>123</td>
<td>120</td>
<td>84</td>
<td>72</td>
<td>47</td>
<td>40</td>
<td>980</td>
</tr>
<tr>
<td><strong>Disbursed</strong></td>
<td>401</td>
<td>178</td>
<td>150</td>
<td>178</td>
<td>167</td>
<td>153</td>
<td>64</td>
<td>99</td>
<td>29</td>
<td>72</td>
<td>62</td>
<td>37</td>
<td>27</td>
<td>215</td>
</tr>
</tbody>
</table>

However, it must be emphasized that international aid has been often channelled through and targeted at the strengthening of Albanian CSOs/NGOs with vested interests in administrative capacity building. While the literature argues that the initial tendency of those groups has been to accommodate their projects to the objectives of donors rather than ‘the priorities and needs of the country thus paying less attention to their primary accountability to the public’ (Smillie 1995: 149-150), it is reported that there has been progress in government-civil society relations in Albania and NGO participation in policy making in recent years (UNDP 2000, OSCE 2010). However, the impact of aid on civil society capacity building in the research context is far more complex and is not the primary objective of this study. Yet, assessing the role of aid in administrative capacity development by bringing in the dimension of civil society adds value to the significance of this research study as well as our understanding of the impact of aid on general capacity building in Albania. This will be further discussed in Chapters Six, Seven and Eight.

44 Source: DSDC/GoA 2010 (donors with contribution of less than 2% of total aid are grouped under others)
In the years from the parliamentary election of 2005 to date (see 5.3.2), it appears that efforts of the international aid organisations have focused on or, rather have intensified donor coordination and effectiveness. Therefore, the latter have become an important item on the agendas of both donor organizations and the GoA, with the element of ‘donor-government dialogue’ being introduced into recent national strategies such as the National Strategy for Development and Integration (NSDI) 2007-2013. To address the potential problem of cross-institutional partnerships increasing the chances of different aid agencies having overlapping domains and duplicating one another’s efforts (Burnell 1997: 42), the Paris Declaration (PD) on Aid Effectiveness, a seminal international agreement binding donors and recipients to standardized and simplified practices in aid delivery (Blunt et al 2011), was adopted by the GoA in 2005 (see Chapter One). It is reported to be monitored by both the DCDC (GoA) and the DTS (Fritz 2006). Compliance with both the PD and the IPA appears to be the underlying motive of the current NSDI, which is supported by a € 58 million Multi-Donor Trust Fund (MDTF) established in 2008 to strengthen the general capacity building for implementation of the Strategy (DSDC 2008). The PD and MDTF as transfer mechanisms will be discussed in detail in Chapter Seven.

5.4.3 Aid as driver of administrative reform and capacity building in Albania

In a broad context, public administration reform in Albania seems to have been supported by a number of donors operating in post-communist Albania, including the WB, the EC, Sweden and the Netherlands (DSDC 2008). Hence, during 2000-2008, donor support for administrative capacity building amounted to over € 46 million and the main areas supported include civil service reform; HRD and training; policy formulation and coordination as well as broader areas of public administration reform such as improvement of ICT capacities, decentralisation and enhancement of the regulatory frameworks for local government autonomy and the accountability of government officials (ibid).

Thus, as far as administrative capacity building per se is concerned, two main donors stand out: the EC and the WB (RESPA 2010). Their specific programmes, including the EU CARDS (2003) ‘Encouraging Reform of Civil Service Programme’ (see fn. 43), the WB’s

45 A Trust Fund of US$ 7.19 m (€ 5.8 million) with contributions from seven donors (DFID, the Netherlands, The EU, ADA, SIDA, Italy and SDC) and managed by the World Bank was established in 2008 (to be disbursed in 2010) aiming to provide support to the implementation of different components of the Integrated Planning System – a system focusing on strengthening the capacities of the GoA on strategy coordination, implementation and monitoring and aid coordination (EA 2008). As donor-supported mechanisms/institutions, the MDTF and IPS will be discussed in detail in Chapter 7.

46 Total disbursement rate of almost 74% (over € 34 million)
Public Administration Programme (PAR 1999-2006) as well as the EU’s current initiatives, including ‘Support to the Albanian Department of Public Administration (DoPA)’ and ‘Project Preparation Facility’ (IPA 2008), will be part of the discussion in Chapter Six. However, as discussed earlier (5.3), although general capacity building as a key element of IPA’s assistance is available to both EU candidate and potential candidate countries, aid towards public sector HRD/M is only available to candidate countries (2009).

While the strengthening of public administration to cope with the standards of the EU integration and to better manage international aid towards those standards seems to be a key priority of the GoA, donors continue to cite capacity constraints of the latter for aid absorption (DSDC 2008). As discussed earlier (see 5.3), the EU continues to highlight the need for further professionalization of public service as a tool for effective administrative reform and a key conditionality for EU membership (EU 2010). In line with the discussion in Chapter Two, which both challenges and adds value to the technocratic approaches to assessing the role of aid in capacity building globally and contextually, and the limited literature on the implications of administrative reform as conditionality for EU accession (see 3.4.5), this research study is built on the premise that the interaction between international and domestic policy actors as defined in the conceptual framework (Chapter Three) is key to understanding the debated progress of public administration reform in the Albanian context. Another important premise this study builds upon is that the assessment of the role of international aid does not sufficiently benefit from an in-depth analysis of the national context and the perspectives of Albanian bureaucrats as the ultimate aid recipients.

5.5 Conclusion

In this chapter, it is argued that the difficult political transition following years of communism in Albania, exacerbated by the failure of the first post-communist government(s) and the political rivalries that have continued throughout the last decade, has necessitated fundamental reforms of public administration in Albania. Assessments of the EC and other bilateral donors supporting public administration reform through the years of transition have concluded that despite the existence of a legal and institutional basis for human resources management within government, public service management practices have not evolved sufficiently. Therefore, the enhancement of the impartiality of

47 The current EC’s support to administrative reform and capacity building under IPA totals €4 million
48 See fn 27
public service and establishment of an independent, merit-based professional civil service and the implementation of the regulatory framework on civil management remain key issue issues. Most significantly, while public administration reform and capacity building represent a key conditionality for EU accession, compliance with ‘acquis communautaire’ requirements is the current focus of ‘good governance’ agendas of most aid organizations in Albania.

While Chapters One and Two touch upon the role of global aid effectiveness/coordination mechanisms and Chapter Three identifies international aid organizations as a key actor in transferring policy from developed to developing countries especially as related to administrative reform, this chapter only introduced some of the elements of transfer (that is policies/programmes as well as institutions/mechanisms) which aid organizations have used in the context of post-communist Albania. Indeed, the discussion on the role of international (aid) organizations in Albania especially with regard to public administration reform and capacity-building is intended to pave the way for a more detailed analysis of those policies/programmes and institutions/mechanisms in Chapters Six and Seven.

Besides, the analysis of the policy transfer framework in Chapter Three also pointed to the strength of the framework in analysing the dynamics of policy transfer through an exploration of the specificity of the national politico-administrative context. In this chapter, the discussion on political dimensions of administrative reform and capacity building as supported by aid organisations in post-communist Albania served as a starting point for a further analysis of those dynamics, especially in the light of the EU accession process. Drawing on an analysis of both constraints and facilitators of policy transfer as suggested in the Dolowitz and Marsh (1996) framework and theoretical assumptions associated with the politico-administrative culture of a given context (Pollitt and Buckaert 2004, 2011) (see Chapter Three), the discussion in Chapter Eight will attempt to identify certain variables which characterize the interaction between policy actors in relation to training and policy learning in the Albanian context.
Chapter 6. AID-SUPPORTED POLICIES AND PROGRAMMES

6.1 Introduction

It was concluded in the literature review that aid is often a form of international policy transfer that at least has the potential to impact on institutional reform and capacity (Riddell 1987, Collier 2006). The Dolowitz and Marsh (1996) framework identified the category of ‘international aid organizations’ as one of the key actors in the policy transfer process and their policies and programmes as an essential element of transfer (Chapter Three). However, as Dolowitz and Marsh (2000) argue, while in the process of policy transfer, policies and programmes are the most important category, it is more likely that actors of transfer, such as policy-makers in international aid organizations, will transfer programmes and projects rather than policies.

This chapter proceeds in six parts. It starts with a discussion of donor-supported policies towards state-building in the years immediately following the collapse of communism in Albania. The second part of the chapter focuses on a presentation of research findings through an analysis of country-specific policies and specific programmes targeting administrative reform and capacity building at the central level over the last two decades with a focus on recent years. As discussed in Chapter One, the rationale for the choice of ‘administrative reform’ component of the international aid is based on its significance for both domestic politics and those of EU accession rather than its implications for the quality of public services. However, while the latter is an objective of reform, it is not the objective of this thesis. The third and fourth sections of the chapter focus on aid-supported administrative reform and policy learning programmes in the context of EU accession. The fifth part discusses policies and programmes of multilateral and bilateral donors targeting training of public servants as a prevalent form of capacity building. It ends with a summary of some research findings based on the discussion throughout the chapter.

These findings are presented in a way which links them to both the country context (Chapter Five) and rest of the empirical part of the study. Thus, the discussion that follows will evolve around: a) mechanisms and institutions used to assess the role of international aid in relation to reform and capacity building (Chapter Seven); b) drawing on both the broad policy transfer framework and theoretical arguments on aid conditionality as
discussed in the Europeanization literature (Chapter Three), the national context and interaction of policy actors through those policies/programmes and institutions/mechanisms in the process of administrative reform and capacity building (Chapter Eight).

6.2 Aid policy during the early 1990s: Re-building the state

Albania is not an exception among developing countries, where international aid organizations have played a role both as facilitators of policy transfer and sources of pressure for reform (Martin 1993, Wright 1994, Common 1998). Thus, in the formative years following the collapse of communism up until 2000, the policies of those organizations including the WB, the EU, the EBRD, the UNDP and the U.S.AID had one element in common: application of aid conditionality as pressure on transitional governments to adopt reforms (Ruli 2003, Elbasani 2009). Therefore, aid policy as reflected in the interventions of international organizations in the early years of transition targeted ‘state-building’ broadly rather than public administration reform, as a strategic approach towards the country’s development.

As discussed in Chapter Five, it was the difficult political transition and in particular, the crisis of the Albanian state during 1997-1998 which exposed the country to the fundamental problem of a weak and unreformed state (WB 2000). This alerted the international community to the fact that the failure to reform public institutions after the collapse of communism simply led to further degeneration of those institutions (Elbasani 2009). The first post-communist government advocated ‘the cleansing of public administration of all those who had served during the communist regime, perceiving them as bearers of the system and unsuitable for cooperation’ (Biberaj 2000: 237). A former senior public servant working with the international aid agencies during those years recognizes that:

Before and even after the crisis of 1997, international organizations had believed that Albania inherited some sort of institutional capacity from communism…. but that was a wrong assumption because after changes in 1990, the public institutions of the past had crumbled completely and the post-communist Albania was simply chaotic. (G4)

Therefore, following the developments of 1997-1998 (Chapter Five) and the questionable record of political elites, it was the international community that took the lead to rebuild the state and reform the Albanian state institutions (Ruli 2003). In July 1997, the WB, the EU, the EBRD and partly the IMF had conceived of a coordinated approach to assisting
Albania thus jointly designing the Strategy for Recovery and Growth (SRG) for the GoA, whereby public administration reform and governance figured among the seven strategic elements of political, social and economic reform (WB, EC and EBRD 1997). Subsequently, the general policy that characterized the transfer of aid programmes from international organizations to the GoA encouraged an overhaul of the legal framework for the functioning of the state, which led to a focus on public administration reform (ibid).

The discussion below focuses on two specific initiatives, which were adopted towards administrative reform and capacity building in post-communist Albania in the early years of transition: SIGMA as a joint OECD-EU initiative and the WB’s PAR Programme. Those will be discussed in the light of the role of policy learning for drafting, improving and assessing their impact on the implementation of the Albanian Civil Service Law (referred to as CSL throughout the thesis).

6.3 The EU and WB technical assistance on administrative reform

6.3.1 SIGMA initiative: an overhaul of the regulatory framework

‘Public administration’ started to appear as one of the key categories of the EU assistance since the launch of the EU PHARE Programme, the first aid programme targeting all post-communist governments of CEE in 1992 (EU 2003). A joint initiative of the EC and the OECD led to the creation of the SIGMA (see fn. 4) with the aim of providing assistance with administrative reform and capacity development in those countries. However, the original idea behind the creation of SIGMA was to establish templates which would guide the EU’s strategy for ‘Preparing Public Administration for the European Public Space’ through an assessment of administrative capacities of candidate countries (Fournier 1998, Verheijen 2002). Specifically, this would be done through adoption of laws to guarantee the independence of the civil service and the establishment of a career system, pay reform and training strategy (ibid). In the light of the discussion on policy transfer and politico-administrative culture in Chapter Three, this approach would represent the EU’s

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49 See also 2.1 (fn. 4), and 5.4.3
50 Under the PHARE (Poland and Hungary Assistance for the Restructuring of the Economy) Programme (1991-2000), the EC delivered a total of €635 million in the form of external assistance to Albania
orientation towards the Rechtsstaat model, where the emphasis is placed upon the administrative laws as key to administrative reform policy.\textsuperscript{51}

Evidence from Albania reveals that the very first efforts of the SIGMA initiative to assist the GoA with the assessment of the regulatory framework for the functioning of the public service date back to 1996 (G4). They consisted of the ‘Labour Code’ inherited from the years of communism and a temporary code on the working status of public employees regulated in 1992. However, one of the former directors of the Albanian Department of Public Administration (DoPA) and current capacity-building consultant observes that:

Prior to SIGMA’s assistance, the early efforts of the international organisations to assist Albania with PA reform date back to 1994 when the DAP was first established but… it was not until 1996 that more formal efforts on their part to develop a proper civil service law took place…\textsuperscript{52} (E4)

Looking back at those years (early or mid 1990s), there is no clear evidence or records of aid initiatives except for vague descriptions by interviewees of ‘EU contractors offering assistance with drafting of a civil law service based on Anglo-Saxon perspectives’ (G4). However, it appears that the assistance through the EU contractors during that time resulted in proposals which were “crippled” by the Albanian Parliament, often leading to clashes between Albanian law-makers, on the one hand, and (domestic and foreign) legal experts on the other (N1, G4). Eventually, the first initiative on the Albanian public service law, namely ‘Law no. 809: For Civil Service in the Albanian Republic’ drafted with the assistance of SIGMA, was passed by the Albanian parliament in 1996 (SIGMA/OECD 2009). Yet, due to its many shortcomings, the law was hardly put into practice until it was replaced by a substantially revised version of it in 1998 (E4; ITAP 2004).

The EU and SIGMA/OECD initiative ‘being accepted as informal leaders of the public administration reform in Albania’ (Elbasani 2009: 81) coincided with the state crisis of 1997-1998 (Chapter Five). It was not until 1999 when, yet again, with the close assistance of both the SIGMA and the WB (to be discussed under 6.2.3 below) that the CSL, namely ‘Law no. 8549: Statusi i Nëpunësit Civil’ was drafted.\textsuperscript{53} The provisions of the CSL led to the creation of a mixed civil service system in Albania, mainly based on the position model, combined with elements of a career system (EC 2008). The CSL was approved by the Albanian Parliament in November 1999 and became effective in January 2000 (N1).

\textsuperscript{51} See 3.4.3
\textsuperscript{52} Albanian: Departamenti i Administratës Publike (DAP)
\textsuperscript{53} Albanian: The Status of Civil Servants
In spite of its shortcomings, the CSL was described as a decisive instrument in initiating the
development of a professional civil service and in improving the quality of work of the
public administration (G9, D13, SIGMA 2009). However, despite receiving positive
feedback from the donor community, the CSL provided for general aspects of civil service
management as related to ‘European standards’ and only superficially addressed the issue
of administrative capacity building. As an OECD report cites:

The assessments of the 1999 CSL made by the international community (EU/SIGMA,
OSCE and WB) are positive and… the Law is deemed to represent good progress
towards bringing the Albanian administration up to mainstream European
standards…. (It) has played a positive role in improving not only the previous
legislation of 1996, but also the Albanian civil service management practices and
control. Certain human resource management instruments still need developing and
applied in practice in order to rationalise and homogenise the management…. In
particular, the training of civil servants and public managers needs more efforts and
resources if European principles are to permeate the Albanian legal culture and
mentality…. (2003: 1, 9)

An interpretation of the above would resonate with the theoretical arguments surrounding
institutional constraints and administrative culture discussed in Chapters Two and Three
(Peters 1997, Pollitt and Bouckeart 2004, Bebbington et. al. 2007, Hyden 2008). They are
also consistent with the findings from an interview with the then Director of DoPA, who
pointed to the domestic constraints such as systemic and institutional weaknesses that
hampered the law’s successful implementation:

Despite the early efforts of EU (through its contractors) and later, through more
formal assistance from SIGMA, the proposed civil service law of 1999 was, in reality,
impossible to enforce mainly because Albanian institutions continued to be very weak
and unprepared – almost at all – for the implementation of the law. (G4)

In terms of broader EU programming, the SIGMA assistance towards the development of
the CSL preceded the EU-funded CARDS Programme (see fn. 43)54. Overall, the CARDS
‘public administration reform’ component included inter-ministry relations,
communications and change management, reviewing the regulatory framework and
improving monitoring and evaluating capacities of the GoA (SIGMA 2003)55. The
programme supported the development of the DoPA and the Civil Service Commission
(OECD 2003)56. However, as became evident in the interviews, the latter is seen a product
of the Public Administration (PAR) Programme of the WB which reportedly ran parallel to
the assistance that the EU was already providing to Albania through SIGMA during the

54 See fn. 43
55 The CARDS Programme will be discussed at length in 6.4.2
56 See 6.3.2
first half of the past decade (G4, G11, E4, N1, D13). Both efforts, CARDS and PAR, will be further discussed below.

6.3.2 The PAR Programme: a managerial model of administrative reform

In addition to SIGMA/OECD, whose main contribution to the public administration in Albania seems to have focused on the assessment of the regulatory framework and drafting of the CSL, a key international policy actor, which became seriously involved civil service/public administration reform in Albania from mid/late 1990s onwards, was the WB (G7). Through the PAR Programme (1999-2006), the assistance of the WB initially concentrated on the development of the CSL (jointly with SIGMA/OECD)\(^57\). From its inception, a key contribution of PAR, whose target group extended to all levels of government (but, in reality, primarily to the central government), was considered to be the political pressure for the alignment of DoPA under the jurisdiction of the PM's Office as the key central unit responsible for public sector HRM (D13). The positioning of the HRM department as key to administrative reform policy (Pollitt and Bouckaert 2004) is believed to have greatly influenced the commitment of GoA towards reform up to the mid-2000s (G4)\(^58\).

Moreover, the research found that, from the start, the interventions of the WB through the PAR Programme were a reflection of a collaborative international aid policy that sought to address a broader array of issues pertaining to administrative reform beyond SIGMA’s assistance towards the assessment/development of pertinent regulatory frameworks:

From 1999 onwards, three major international organizations, namely the WB, SIGMA and OSCE were the lead actors in what has been a foreign funded reform policy in Albania. In particular, it was thanks to WB PAR Project of 1999-2005 which jointly with SIGMA made possible development of the first civil service law in Albania… . However, there was much more to PAR as, in addition to the drafting of the law and its by-laws, it sought to reform the public service compensation system, structural review of the Ministries, training of Secretary Generals (as key contacts in each Ministry) as well as development of an HRMIS system in the public service. (G4, E4)

Most significantly, a key contribution of the PAR programme, building on the Weberian principles of a separation between politics and administration (Chapter Two) was also the establishment of the Civil Service Commission (CSC) as the main institution responsible for management and processing of administrative complaints. The creation of CSC would be later interpreted by OECD as the product of a donor-driven policy which was hampered

\(^{57}\) The total value of the World Bank’s PAR Programme was €5,8 million (Source: EA 2008)

\(^{58}\) See 3.4.4
rather than aided by the domestic politics and its relationship to the government agencies responsible for the management of public service reform:

The CSC was established by the CSL under pressure from donors (basically from the Bank) and was slow to start working due to political bickering regarding the staffing of top management positions in the CSC… . In general (after its establishment), collaboration and mutual assistance between the DoPA and the CSC has been problematic. According to DoPA, overlaps between the DoPA and CSC lead to conflict as far as the supervision of HRM is concerned. (SIGMA/OECD 2003)

Reflecting the Bank’s belief that meritocratic recruitment and capacity building as tools for effective HRM are important components of administrative reform (Minogue 2001, McCourt 2007), PAR introduced a managerial model of recruitment and promotion in the public service (D13, N1). PAR had also supported ‘the creation and maintenance of a database with a clear set of indicators to monitor the enforcement of the CSL, appointments/departures in the public service and the competencies of the CSC’ (E4). A review of the PAR completion report substantiated by the accounts of interviewees confirmed that the Programme had contributed to the development of a CSL by-law, which provided classification of positions and salaries in the public sector and supported studies comparing compensation rates between the public and private sectors (PAR 2007).

Reportedly, PAR also contained an element of assistance, which contributed to other areas of public management reform, such as government organisation (Pollitt and Bouckaert 2004, see 1.6.3) through structural reviews of line ministries and efforts to develop the first HRMIS in the Albanian public administration system (E4)59. However, overall, the model that the WB tried to promote through the PAR programme is considered by some as conflicting with the model offered by SIGMA/OECD. An example of this was highlighted in an interview of the Director of DoPA during the time the Programme was implemented, who attested to instances of being “put in the middle” between donors seeking to “give their own face” to reform:

While the Bank’s consultant strongly supported the ‘managerial model’ of PA reform through cuts in staff and salaries and often reminded me that PAR was a grant to Albania, the SIGMA one insisted on a career model as more appropriate for Albania, reminding me that the EU’s TA is free and the future of country is in the EU… . (G4)

With regard to the role of top civil servants as discussed in the literature review (see 3.4.4) another demonstration of PAR’s efforts to influence the separation of political and administrative appointments in the civil service has been its push for distinct clauses within

59 Human Resources Management Information System
the body of the administrative law (CSL) whereby the position of the ‘Secretary General’ (SG) would be categorized as the most senior in the Albanian civil service. However, this was done with little regard for a highly politicized environment (EC 2009). Upon reflection, a donor officer involved with the PAR Programme considered the introduction of the clauses about ‘SG(s)’ in the CSL as premature. She noted:

The problem with donors such as the WB is that they often tend to want to develop ‘perfect laws’ in a country like Albania, which throughout the ‘90s, was still suffering from the communist legacy… . A major issue here is also the gap between perfectly drafted laws often developed with donor assistance and how those laws are enforced in reality… . Often donors neglect this as well as the need to satisfy the socio-political context… . An example of this would be the over-optimistic approach towards introducing the notion of Secretary General as the most senior public service position in each Ministry (and train them under the PAR Programme), which never worked… . In fact, even nowadays, SGs, in reality continue to be 100% political appointees… .

This is also consistent with findings from interviews with counterparts in the GoA. For example, a senior public service officer exemplified the mismatch between the Bank’s aid policy towards reform and the domestic context through the case of the CSC:

The institutional context of Albania was unprepared for the CSL, drafted with the assistance of the PAR. The Civil Service Commission idea, for instance, was indeed overly ambitious and premature for Albania, to say the least of it… . (G4)

As discussed in Chapter Five, the year 2005 marked another political change in Albania, bringing the DP back to power. While the EC and Albania had already embarked on EU accession negotiations (see Chapter Five), the WB reportedly had started to hesitate to continue to support the civil service management component of PAR due to the failure of the GoA to observe the Programme’s recommendations and conditions. Those included unsatisfactory implementation of a merit-based recruitment system based on the CSL provisions, frequent restructuring of ministerial staff and an increase in the number of contractual appointments (temporary contracts). Some interviewees would interpret the emergence of the latter as a ‘way to circumvent a merit-based system of recruitment promoted by PAR’ (N1, D6). Moreover, a decision of the DP-led government to re-align the DoPA as the key institution responsible for administrative reform implementation under the Minister of Interior was seen by some within the Bank and donor community as ‘a downgrade and minimization of its leadership position’ (D13). DoPA had reported directly to the PM’s Office until 2005. By contrast, other interviewees such as a

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60 Comparative management literature refers to ‘mandarin’, an equivalent term to describe senior civil service positions (Pollitt and Bouckaert 2004)
61 This will be discussed further in 6.4
senior public servant interviewed for this research considered the move as ‘an effort on the part of the government to reduce costs and increase its efficiency’ (G9), which would resonate with characteristics of a reform based on NPM principles discussed in Chapter Three. The implications of the re-alignment of DoPA and the phenomenon of ‘temporary contracts’ for administrative reform and capacity building will be discussed at length in Chapter Eight.

The perspectives of the interviewees converge on the fact that between 1999-2005 when PAR was operational the WB was generally very demanding on the GoA about its obligations towards the Programme’s objectives (N1, G4, E4, D13, G9). However, upon PAR’s completion in 2005, the position of the Bank became more ‘liberal’ (rather indifferent) which can be interpreted as a sign of the outcomes of the Programme being ‘unsatisfactory’ (E4). Besides, while the Bank’s support prior to 2005 was financial, its support in the last 5 years has been reformatted and extended beyond DoPA by engaging in broader public sector (rather than civil service) reform and participating actively in aid coordination and effectiveness mechanisms. The implication of this policy change on the part of the WB will be part of a more detailed discussion in Chapter Seven.

However, the WB reportedly continues to maintain a role as lead expert in, rather than financially supporting public service reform in Albania (G7, D13). This is demonstrated via its recent initiative to provide support for revisions to the CSL, which appears to be yet another re-assessment of the scope of the regulatory framework for civil service management. The accounts by interviewees confirmed the Bank’s support for the development of a joint 2008 report by the Public Administration Institute (PAI-UK) and the Albanian Institute of Contemporary Studies, the ‘Review of CSL Implementation Challenges in Albania’, which provided data and statistics on recruitment/departures in the Albanian civil service for the period of 2000-2006 (N1, D13). The report’s findings seem to have formed the basis for recommendations in the most recent OECD report ‘Albania Public Service Assessment’, which include non-partisan civil service management and strengthening of the authority of both DoPA and CSC (SIGMA 2009). This assessment was developed in the light of the implications of administrative reform for the EU accession process, which is part of the discussion that follows.

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62 See also 3.4.2
63 PAR was funded through a WB grant as part of the assistance of the WB to the GoA
64 See Chapter 8 for more details. The report is part of the WB’s Albania Development Policy Loan II (2008)
65 See also 5.2.3
6.4 The SAA process and EU integration agenda

6.4.1 The introduction of the capacity-building criterion

The strategic shift of international aid policy to Albania happened in 2000, when the GoA embarked on a major campaign to modernize the legal framework of public administration under the requirements of the SAA\textsuperscript{66}. The EC had insisted on a special mandate for negotiating the SAA, which seemed to be oriented towards increasing its monitoring capacities and was applied through two separate forums (Hoffmann 2005, Elbasani 2009). The first was the EU-Albania High Level Steering Group responsible for tracking the progress of the technical process in preparations for the negotiations for the SAA between Albania and EU; the second was the CTF (Consultative Task Force), a forum responsible for discussion of general reform issues (EC 2001). The forums preceded the first formal European Partnership with Albania, an instrument of the SAA process, which was designed as part of the EC’s pre-accession strategy for the Western Balkans countries, adopted in 2004 and subsequently revised in 2008 (EC 2010).

Most specifically for the Albanian context, between 2000 and 2006 when the SAA was actually signed, the EU policy consisted of overly ambitious and fragmented projects without a general reform strategy (Elbasani 2009). As discussed earlier, its focus was on regular and periodic (re-)assessments of the weaknesses of the public sector HRM within the GoA, thus emphasizing the need for an enhancement of its general ‘capacities’ without making specific reference to a distinct public administration reform and capacity-building agenda. As the following excerpt from an EC report illustrates:

The Albanian organisational public administration structures are characterised by considerable informality where relationships are established more through direct personal contacts than through structured mechanisms…. Most ministries lack basic concepts of work organisation and management controls and show flat organisational structures, with the result being that ministers are engaged mostly in routine administration…. In general, management skills and human resources management abilities of senior officials are insufficient and vary widely from one ministry to another, which makes the task of the DoPA and the (CSC) difficult. The existing weak HR management culture makes the development and implementation of HR instruments problematic. (OECD 2003)

Therefore, it has been argued that the very existence of two separate policies on the part of the EC regarding the progress of reforms in Albania and the SAA, as the first step towards the EU accession, i.e. a standard SAA negotiations policy and a general reform policy

\textsuperscript{66} Stabilization and Association Agreement (See 5.2.3)
(whereby public administration only was one of the required political reforms), may be indicative of the fact that a proper ‘administrative capacity building’ criterion was not high on the EU-Albania negotiations agenda (Elbasani 2009). Besides, reports claim that the EC itself lacked its own template for public service reform and capacity development, which subsequently SIGMA would translate into baseline standards including the adoption of civil service management laws, establishment of career systems, pay reform and training (EC 1998, 2002, Verheijen 2002, 2003).

Thus, since 2006, the policies of other donors operating in Albania also converged with both the EU and WB policy transfer towards administrative reform, now with the capacity building element added to their strategies. Thus, the EU requirements, by far and large, followed on and reinforced the modernization process towards a Weberian model of PA, already under way in the post-communist space (Goetz 2001, Verheijen 2003). In line with the discussion in Chapter Three, scholars of administrative doctrines would later argue that countries like Albania ultimately chose to adopt a PA model based on the principles of the Neo-Weberian State (NWS) assembling the key principles of Weberianism (re-affirmation of the role of the state and of representative democracy, merit selection and impersonality of civil servants, hierarchy, career advancement, legality and rationality) with the main standards of the ‘European Administrative Space’ (reliability and predictability, openness and transparency, accountability) and the NPM principles of efficiency and effectiveness (Pollitt and Bouckaert 2004, Drechsler 2005, Cepiku & Mitetelu 2011). This will be part of a more detailed discussion in Chapter Eight.

More specifically for the Albanian context, the lack of a clear public administration reform agenda in the SAA-related negotiations processes can be construed as a sign that the capacity building component has been one of the issues at stake but hardly an EU priority at high political levels (Elbasani 2007). This may be explained by the range of other priority issues, the disputed elections and waves of political instability that the EU faced in cases such as Albania (Pettifer and Vickers 2007). Hence, ‘public service capacity building was an area of consideration, but did not play an important role in the EU policy transfer towards Albania leading up to its decision to sign the SAA agreement in 2006’ (Elbasani 2009: 55). Specifically, it was not until the adoption of a renewed European Partnership for Albania (see above) in 2008 that the EC and the GoA identified the need for an increase in

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67 See discussion in 2.3 and 3.4
capacities and professionalism of the public administration as part of a results-oriented management system to ensure the sustainability of reforms under the SAA process:

Administrative capacity building (now) a priority is fully in line with policy priorities stipulated in EC documents on Albania such as Country Strategy Paper 2002-2006, different European Partnership documents covering the period 2004-2007, and EC annual progress reports on Albania. (EC 2008)

The interpretation of this research is that ‘capacity building’ was perhaps introduced too late in the EU accession negotiations process. This will be reinforced in the following discussion which, tackling the role of international aid from a policy perspective, illustrates the efforts of the EC towards the implementation of the CARDS Programme via specific projects on reform and capacity building of public sector HRM in Albania.

6.4.2 Continued assistance from the EC through CARDS

Between 1999 and 2006, Albania benefitted from around €259.6 million from the EU CARDS Programme assistance, about 18% of which went to administrative capacity building (EA 2008). Reflecting the policy of the EU towards Albania during the above period, the assistance of the EC through CARDS focused on 5-6 major categories and targeted ‘public administration reform’ broadly (E4). As such, the CARDS projects in Albania supported democratic stabilisation and good governance, institutional and administrative capacity building, justice and home affairs, economic and social development, environment and natural resources and participation in Community Programmes (EC 2010). Table 9 (below) provides annual allocations (in percentage) by Macro Sector 2001-2006 under CARDS.

Table 9: CARDS Annual Allocations by Macro Sector 2002-2006

<table>
<thead>
<tr>
<th>Areas of Assistance</th>
<th>2002-04 (€m)</th>
<th>2002-04 (%)</th>
<th>2005 (%)</th>
<th>2006 (%)</th>
<th>2005-06 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative capacity building</td>
<td>24.8</td>
<td>11</td>
<td>12.8%</td>
<td>14%</td>
<td>18%</td>
</tr>
<tr>
<td>Democratic stabilisation</td>
<td>3.2</td>
<td>2.1</td>
<td>2.4%</td>
<td>2.4%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Justice and Home Affairs</td>
<td>87</td>
<td>49.4</td>
<td>13.8%</td>
<td>17.2%</td>
<td>34.0%</td>
</tr>
<tr>
<td>Socio-Economic Development</td>
<td>58.4</td>
<td>29.8</td>
<td>14.7%</td>
<td>12.9%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Environment &amp; Natural Resources</td>
<td>11</td>
<td>7.6</td>
<td>0.5%</td>
<td>2.7%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Total for Albania</td>
<td>236.8</td>
<td>100</td>
<td>44.2%</td>
<td>49.2%</td>
<td></td>
</tr>
</tbody>
</table>

68 See Table 9 above.
69 Source: Elbasani 2009
The public administration reform initiative (CARDS 2003) focused on two platforms. First, the *vertical* platform of the programme focused on projects addressing the implementation of the *acquis* in areas such as statistics, procurement, state aid, internal and external financial control; secondly, the *horizontal* platform concerned projects supporting the overall administrative capacity building and reforms at central and local level administrations such as civil service reform, European integration and decentralisation (N1). The discussion below will be devoted to the second of the two platforms, highlighting some of the research results based on the key informants’ experience with and their perspectives on the achievements of the ‘Encouraging Reform of Civil Service’ project (CARDS 2003).

Thus, as discussed earlier in this chapter, the project is reported to have run between 2005 and 2008 and unlike the WB’s PAR Programme, it primarily focused on the classic European ‘career-based’ model of civil service management (N1). The project sought to carry out five major objectives of reform: a) improving recruitment processes; b) revising the compensation system and linking it to performance management; c) developing a training needs assessment strategy; d) creation and management of a documentation system/database and, e) designing job descriptions for the public service (N1, E4). A senior capacity-building expert previously involved in its implementation praised the fact the CARDS, for the first time, introduced elements of human resources management in the public sector per se. She ranked certain aspects of the project as technically superior:

> The novelty of the CARDS project brought forward is the fact that it looked more closely at recruitment processes and compensation of public servants (thus recommending that their salaries of those working in health and education sectors be raised up to 60%)... Another key merit of the Project was also that, for the first time, it introduced elements of career planning and performance management in the Albanian public administration. (D7)

However, other interviewees especially those representing the civil society and independent sectors challenged that perspective, maintaining that the CARDS’ focus on elements of HRM based on a Western model was still inappropriate for Albania or at least disregarded the ongoing issue of politicisation. This had contributed to the mixed record and limited impact of the project:

> In my view, the focus of the CARDS ‘Encouraging Civil Service Reform’ project’s on second- and third-level elements of HRM did not prove very effective... For example, the project failed in component b) particularly due to a decision by the government to not adopt a new compensation system as linked to performance

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70 See 6.3.1
management as recommended by the project thus deeming it premature for the conditions of Albania. Thus, I would say that the project did not satisfactorily meet its objectives (except for components c) and d). (N1, E4)

A significant contribution of CARDS has been its support for the *Training Institute of Public Administration* through the ‘Support to the TIPA’ Project (CARDS 2004). Established by a Decree of the Council of Ministers in June 2000 (Policy # 315) and mandated by DoPA with the responsibility for the provision of the overall training strategy, TIPA is considered as the only national training organization within the public service in Albania (G7, G9). Reportedly, TIPA was initially set up with funding from a UNDP grant but the EC had contributed to it through assistance towards the development of national public service training strategies for 2002-2005 and 2006-2009 (G2, G9). Several interviewees described TIPA as the ‘facilitator’ of the programmes supported by international aid organizations for the training of Albanian public servants (G2, G7, G13).

However, despite the clear contribution to the development of ‘training strategies’ for the public service, a CARDS Programme evaluation specifically reports a serious shortcoming with the EU assistance and transfer of policy towards training when assessing that:

> While the lack of well-qualified local trainers is arguably an issue, the (CARDS) projects would have been more sustainable, if these had applied a training of trainers approach through TIPA instead of relying mainly on international trainers. TIPA was not involved in delivery of training activities in most of the projects even though, thanks to CARDS, TIPA’s capacity has increased over the years…. (EC 2006, 33)

The same report goes on to assess that the limited impact of CARDS with regard to capacity building in multiple segments of the public sector accessing EU aid as part of the EU integration agenda, may have been influenced by the lack of focus on horizontal administrative reform:

> Overall, CARDS has performed better in *acquis*-related areas than in support to public administration as such. In many of the vertical acquis sectors, the effect of training has been positive. The limited support to and lack of focus on public administration and specifically, civil service reform may have impacted sustainability in those (acquis) sectors (EC 2006, iii)

The arguably limited impact of the CARDS administrative reform component is somewhat consistent with readings of ad-hoc evaluation reports, which directly point to inherent and systemic institutional weaknesses rather than a mismatch between the aid policy (of the EC

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71 See above
and WB) and the domestic context. As discussed in Chapters Two and Three, this is a key issue in policy transfer processes (Peters 1997, Dolowitz and Marsh 2000, Riddell 2007, Hyden 2008). This is best illustrated in a more recent assessment of the CARDS progress:

[Despite] CARDS assistance to support an effective and transparent governance has been highly relevant... public administration in Albania is still weak. Institutional capacity and administrative systems are far from European standard. The findings point to the key problem in securing impact and sustainability of CARDS being the lack of capacity of the administration, large staff turnover and limited structures for implementation and enforcement of legislation and policy. (EC 2008, ii)

It was only upon completion of the CARDS Programme that an official evaluation of the EC concluded that the sustainability of the EU aid could only be ensured through increased ownership of the reform processes, strengthening the role of national training institutions, such as TIPA, in the delivery of training programmes. This was a major area of consideration reflected in the EU’s subsequent IPA Programme discussed below.

### 6.5 Instruments of Pre-Accession (IPA): alignment with EU standards

Since 2007, CARDS has been replaced by IPA (2007-2012), under which Albania has received assistance worth €306.1 million from 2007 to 2010 (EC 2010). As a potential candidate country for EU accession, Albania benefits from 2 out of 5 components of IPA: a) transition assistance and institutional building (general capacity building), and b) regional cooperation (EA 2008). However, from a general review of the IPA aid policy in Albania, there is still no evidence of specific language on ‘public administration capacity building’, which otherwise ranks very high in the EC’s ‘Opinion on Albania’s Application for EU membership (ibid 12).'

Main focus areas of EU assistance to Albania include economic and social development as well as democratic stabilization... IPA’s projects will increase the effectiveness of Albania’s executive and legislative bodies... IPA funds will promote inclusion of minorities and vulnerable groups, anti-corruption projects and civil society development. Other examples of supported sectors are transport, environment as well as rural development and cross-regional cooperation... (IPA 2009)

It is, indeed, noticeable from a more detailed review of more recent EC reports that ‘civil service and public administration reform’ rather than ‘administrative capacity building’ (the

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72 See 2.2.3, 2.4, 3.2.2.5 and 3.5
73 Under IPA, HRM capacity building is only available to candidate countries (IPA 2009). See also 5.3
74 See fn 39 (5.2.3)
term used in the CARDS Programme) is now one of the key political criteria (i.e. conditionality) for EU accession:

In 2007-2010, the IPA programmes focus on key political criteria (for EU accession) such as judicial reform, police and infrastructure, civil service and public administration reform, parliament, human rights as well as civil society (EC 2010)

In terms of specific programming, the research found substantial evidence of prioritization on the part of the EU Delegation (EUD) of two major components of capacity-building assistance under IPA. The first component is technical assistance supporting ‘hard investments’ (e.g. construction projects and provision of equipment) in the form of service contracts for training of staff of ministries or other public organizations through learning-by-doing tools as well as on-the-job training on the use of equipment provided. An example of the TA that the EU has provided under this component is through support for the National Vocational Education and Training Agency (D1, D11, D14).

The second component consists of specific capacity-building projects which seek to improve the technical capacities of individual public service organizations such as the INSTAT, aligning their standards with those of the EU (G1, D3, D11). Examples of these projects supported by the EU and implemented by the EUD in Tirana included ‘Agricultural and Economic Enterprises Census’ and ‘Population and Housing Census’ (IPA 2007), which through provision of software and training, seek to:

facilitate and raise the capacities of INSTAT not only to perform the census process(es) itself but most importantly according to the EU and UN standards. The significance of the capacity-building element of these projects is reflected in a €6m grant provided by EU to reach these objectives. (D11)

Based on interviews with both donor officers and public servants involved in the implementation of the EU-supported capacity-building projects, it was found that capacity building of the HRM functions of beneficiary organizations to support those projects is not necessarily part of the EU policy towards the capacity building of those organizations (G1). However, assistance towards HRM might be part of the EU’s future strategy in Albania, particularly as a third component under IPA 2010 (D11). Other specific IPA initiatives, through which the EU has supported administrative capacity building in Albania in the last
4-5 years include the ‘Project Preparation Facility’ (PPF) through the Ministry of European Integration (MoEI)) and ‘Support to the Albania DoPA’, which are discussed below.\textsuperscript{75}

### 6.5.1 The Project Preparation Facility (PPF): Strengthening the MoEI

‘Alignment with European standards’, which appears to be the basis of EU interventions under the IPA, is also a recurring rhetoric in the content of the Project Preparation Facility (PPF) (IPA 2008).\textsuperscript{76} The overall objective of the PPF is to strengthen the capacities of and to transfer knowledge to the Albanian institutions in order to access and manage EU funded-projects, thus complying with the \textit{aquis} requirements discussed earlier (D1, D14).\textsuperscript{77} Implemented by ADA and with the MoEI as its main beneficiary, the Project was described by a senior government official interviewed for this research as ‘the most sustainable effort of the EU Commission in Albania’ while donor officers involved in its implementation referred to the Project as an ‘effort specifically designed to align practices of beneficiaries with EU standards’ (G9, D3, D11). The initiative is complemented by the ‘Support to Strengthen Albania’s administrative capacity to manage and coordinate the SAA implementation process’ project replacing the ‘Capacity building for the MoEI’ project, an earlier initiative of the EU under CARDS 2005 (EA 2010: 19). The total amount which the EU has allocated towards the implementation of these initiatives (including the ‘Support to the DoPA’ Project to be discussed below) is €4m (ibid). This represents only 1.3% of the total EU’s current aid towards the administrative capacity building component under IPA, a significant decline at least compared to its funding under CARDS (D1).\textsuperscript{78}

In line with that PPF objective, it appears that the EU recognizes the need for a transfer approach which should be oriented towards joint decision-making with national organizations regarding capacity building (PPF 2011). The specific training modules include EC procurement and contractual procedures; (public) sector-wide approaches, analysis and priority identification; monitoring of IPA projects and drafting of IPA project fiches. They are however primarily taught by EU contractors:

The training courses are being delivered by the MDF Company (the Netherlands), the subcontractor, supported by TIPA trainers. MDF is a very well-known and a leading partner of the Aid Delivery Method (ADM) European consortium, contracted by the EC for the methodological support and training in aid delivery methods to EC staff.

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\textsuperscript{75} See also 4.5.3.2
\textsuperscript{76} The amount allocated by the EC for the implementation of PPF per se is €1m (EA 2010)
\textsuperscript{77} See also 3.4.5 and 5.4.1
\textsuperscript{78} See Table 9 and discussion in 6.5
and partners related to EC funded programmes… (However), a PPF training map for 2011 was agreed with the MoEI and TIPA, the key beneficiary organizations, to cover specific training needs through the NIPAC (National IPA Coordination Office) in the MoEI and Line Ministries related to enhancing and improving IPA programming and implementation capacities of these institutions. (D1, D7, D14)

The accounts of interviewees with donor officers (in both policy-making and programme implementation capacities) involved in the delivery of the PPF modules were, however, challenged by a senior public servant who claimed that despite a generally positive relationship with the EUD, his organization is struggling to improve its rapport with bilateral donors. They still have a tendency to rely on foreign experts and in delivering the training modules, liaise directly with Ministries rather than through the central government agencies responsible for the training of public servants:

Despite difficulties, I would say that the way our agency works with the EU has significantly improved in the last 5 years… . An example of this would be coordinating efforts for training of staff at the MoEI re. the implementation of the 3-year funded PPF Project, in which ITAP and EU have agreed that the latter will fund and take over the training of trainers for the Project provided that TIPA and EU will jointly implement the training for the remainder of the Project. (G2)

The focus of this thesis being capacity building as related to administrative reform, the discussion below will highlight of the EU’s policy transfer towards administrative reform, namely the ‘Support to the Albanian DoPA’ Project (IPA 2008).

6.5.2 EU/GIZ and SIGMA: Current drivers of aid-supported administrative reform and capacity building in Albania

As discussed in Chapter Five, the review of reports by donors and the GoA, as supported by accounts of interviewees and focus group participants, concluded that the international aid organizations, which over the last decade have been providing assistance with the administrative service reform in Albania, have included: the EU/OECD’s SIGMA initiative, focusing its assistance on regulatory frameworks surrounding civil service management, and the WB, focusing on general aspects of public administration reform (NSDI 2009, SIGMA 2009). However, it appears that in the last 4-5 years, the EU’s assistance towards administrative reform and capacity building has been under the auspices of an ongoing, integrated approach adopted through two specific organizations, the GIZ
(EC contractor) and the SIGMA (initiative), which a senior departmental director, interviewed for this research, described as the ‘current best allies of the DoPA’ (G7). Thus, the ‘Support to the Albanian DoPA’ Project (2009-2011), whereby GIZ acts as an EC contractor, is part of a larger portfolio through which the EU has been providing assistance to Albania under the terms of the IPA (2008) and which supports the GoA’s Public Administration Reform (PAR) Strategy within an EU integration context (D1, D6, G9). Developed in 2007, PAR (‘Inter-sector Strategy of PAR’) is an integral part of the 2009-2013 NSDI framework regulated by the Council of Ministers (via policy/decree 1017) after wide consultations with interest groups and donors (NSDI 2009), which may be interpreted as sign of reform being oriented towards the NWS model discussed in the literature (3.4.2). The specific aim of the project is to contribute to Albania’s integration into the EU by building a more stable, depoliticized public administration and improving what are still considered to be dysfunctional HRM practices in the public sector (D1, D6).

The evidence of the Project’s funding is ambiguous, especially as it was described as a ‘jointly funded EU-GoA’ initiative while the research found that €200,000 of the total €1m cost of the project are provided directly by GIZ (D1, D6). To re-iterate, a snapshot of the secondary data suggests that the while the assistance provided for ‘administrative capacity building’ under the previous CARDS during 2005-06 (around which time SAA was signed and the administrative capacity building officially became a criterion for EU membership) amounted to 18% of the EU’s total aid to the GoA, the funding under IPA is only at 1.3% of the total EU aid to Albania. This may be taken to suggest that EU funding for ‘administrative capacity building’ as part of efforts to prepare the country for EU membership has been much more significant compared to the funding in the last 4-5, irrespective of the administrative reform being a top priority for membership today.

In the words of the Project’s Team Leader, the primary focus of the intervention is upgrading public sector HRM data to ensure compliance with the requirements of transfer mechanisms such as the Integration Planning System (IPS) managed through the MDTF:

The philosophy of the project is that IT systems are the basis for an effective HRM in the Albanian public administration system, where a lot of time is spent on manual

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79 Gesellschaft für Internationale Zusammenarbeit/German Agency for International Cooperation
80 See discussion in 5.4.2
81 See Table 9 and fn. 78
82 See also 5.4.2 (fn 45)
processes. In addition to the migration of data from Oracle to Microsoft, which the GoA is licensed to use, the tasks of the project include setting up a payroll system and connecting it to the finance/treasury units. (D6)

However, such an approach was challenged by a senior EUD Task Manager responsible for the oversight of several components of the EU’s support to the GoA’s PAR Strategy, which also includes e-government, public procurement, etc. In a self-critical tone, she described the focus of the Project on HRMIS as:

highly technical. (and) not necessarily building into a broader reform context, which is the ultimate goal of the EUD in Albania under the terms of IPA 2008. . . . (D1)

Reportedly, the secondary component of the Project focuses on HRM capacity building, i.e. development of proper job/position descriptions, assessment procedures as well as recruitment and selection criteria especially in the light of persistent shortcomings within the current system (D1, D6, G9):

A recent study carried out by the Project has concluded that recruitment procedures in the Albanian public sector are not serious at all. . . . In reality, the selection processes are more of a “show”… selection committees (composed of one staff from DoPA), 2 from the hiring institution and 2 independent experts) are made up of people who are connected through personal or clan-based relationships . . . . Besides, procedures outlined in the current CSL are too detailed and cumbersome to a point where it is almost impossible for candidates to apply, thus discouraging the public to seek employment in the public service. Temporary contracts, often awarded to party militants, are also a major issue . . . . Our study found that 90% of current staff in the public sector (over the last 4-5 years) initially been hired on a ‘temporary contract’ basis who were later hired permanently . . . . (D6)

In addition to GIZ, SIGMA continues to provide assistance towards more general aspects of the public service management as part of the Project. Thus, both GIZ and SIGMA have jointly embarked on a public administration legislative reform package for amendments to the current CSL thus simplifying and streamlining the recruitment procedures it sets forth (G7, G9, D6). Their collaboration has also been instrumental in drafting legislation on the functioning and structural organization of public administration in Albania, especially to address the relationship of the government with newly-created ‘specialized agencies’, another feature of NPM-type reforms (Pollitt 2003). As a senior donor officer reported:

With the political changes of 2005, an increasing number of the so-called ‘independent agencies’ were mushrooming in the Albanian public administration, a process which has slowed down over recent years . . . In my opinion, one reason for the creation of such agencies has to do with the politicians’ interest in controlling the system and perhaps using them to cover up their corrupt deals. (D6)

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83 See discussion in 3.4.2 (Chapter 3)
Besides, a significant achievement under the Project has been through its assistance to the Office of the PM in drafting an executive order to minimize and limit the number of ‘temporary contracts’ (see Chapter Five above) to no more than 2.5% in each line ministry with payment of such contracts being stopped if the number is exceeded (D7). According to some of the interviewees, the response from the government has been satisfactory and the number of temporary contracts has been decreasing (N1, D1, D6). The finding is consistent with a pertinent memorandum issued by the Albanian PM’s Office: ‘Changes to Policy 8549 on the implementation of the CSL’ (GoA 2010). In terms of specific areas of HRM, such as recruitment and training, the project boasts its contribution towards proposing amendments to CSL that would streamline the recruitment process by creating a ‘pool of candidates’ and two massive competitions annually, rather than competitions for individual positions, and including training for the performance appraisal of public servants (D1, G7, G9). However, interviewees described challenges in implementing the above showing frustration with a politicised and resistant administration and a polarized political environment⁸⁴:

In a situation where the recruitment system is dysfunctional and with high rates of staff turnover and frequent re-structuring of the Albanian public administration, it is a challenge for us to implement effective TA efforts. Even though the project has found ways to deal with the challenge of the temporary contracts, other project targets have not been satisfactorily met so far…. Such is the case of legislative amendments we are working with SIMGA on…. The issue is that, as 3/5 of the Parliament’s approval is required for any proposed draft to become a law, the current political impasse (opposition boycotting the Parliament) poses a big challenge to the Project. (D1, D6)

Other interviewees claimed that, despite the assistance of the EU to the DoPA and the PM’s Office as discussed above, the MoEI is still the key beneficiary of the EU aid towards ‘capacity building’ in the last 4-5 years (D1, G9, N2). Yet, it appears that the policy learning that the EU supports is not necessarily done through HR function of the ministry (or any other ‘line ministries’ for that matter), as would normally happen in an EU or ‘Western’ country (see also discussion in 6.5). As a public servant interviewed indicated, the HR office(s) being more of ‘façade’ functions rather than an instrument, which support policy learning in Albania, they seem to have little if any bearing on the process of identifying, organizing and delivering training of ministerial employees:

Within my Ministry, it is the specialized units (Directorates), which set the training needs and priorities and decide upon those participating in training programmes either through ITAP or externally (mainly through the EU’s TAIEX⁸⁵)…. The training

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⁸⁴ See discussion in 5.2.3 (Chapter 5)
⁸⁵ Technical Assistance, Information and EXchange
agenda represents a 50%-50% mix of topics including enhancement of public service capacities as well as those related to EU integration processes… . The selection of the trainees is needs-based but my office is not involved at all in coordinating training efforts, i.e. selection of trainees and curriculum development… . (G6)

This interpretation would be consistent with the findings from another interview with a Secretary General in another line Ministry, who added that:

While the EU programmes on general aspects of public service capacity development are coordinated via DoPA and TIPA despite the decentralized nature of our government, bilateral donors engage with specialized units within individual Ministries especially when it comes to sector-specific technical assistance and training. (G8)

It is the purpose of the section below to discuss in greater detail the policies of those bilateral donor organizations mainly focusing on training and other forms of policy learning towards the capacity building of the Albanian public service.

6.6 The role of donors via training as an approach to policy learning

Reportedly, training is a cross-sector activity in all the capacity-building interventions of both EU and all aid organizations operating in Albania and it encompasses operational, technical and non-technical aspects of their development assistance (D11). As such, it extends to public servants at all levels of government (with the exception of ‘Secretaries General’) and its influence is dominant precisely because the training component is present in almost all aid programmes (N1). However, more recently, aid organizations such as the EU have tended to support policy learning through development of training strategies as a long-term capacity-building approach for beneficiary institutions such as TIPA (D1).

In addition to the EU, the WB has also contributed to the production of a ‘Needs Assessment and Training Strategy’ jointly with TIPA (D13, N1). Moreover, through the UNDP Brain Gain programme, 400-500 young professionals trained abroad have joined the Albanian public service (G9, N1). The DoPA has also benefitted from training through RESPA (Regional School of Public Administration), an initiative initially supported by OECD and EIPA (European Institute of Public Administration) and most recently by the EC’s Directorate General for Enlargement, which provides training for public servants in all SEE countries including Albania (G2, G9). Overall, as a result of the cooperation with aid organizations including not only the EC/EU and the UNDP but also bilateral donors such as the USAID, ADA, SDC and SIDA, TIPA’s role, in particular, in coordinating training initiatives, tracking training programmes through a central database has been
strengthened (D9, G2). However, the training policies of bilateral donors and modalities in which they deliver training vary significantly.

The policy of USAID, for example, focuses on capacity building of public service mainly at local level. Through various contractors between 1996 and 2010, the Agency has been delivering training and technical assistance to Albanian municipalities in areas including local economic development, public assets management, municipal borrowing, fiscal systems and urban planning (D12). The Agency has also been adopting a unique capacity-building policy in Albania by helping create local NGOs (spin-offs) or pools of NGOs, funding them initially for 3-4 years while enabling them to become self-sufficient in delivering training and services to public organizations (N4, N5). Another good example of the Agency’s involvement in administrative capacity building is the Millenium Challenge Corporation Threshold Programme targeting government accountability and transparency through anti-corruption projects in the public administration and justice system (D4, D12).

Other organizations such as the OSCE adopt a multi-sector capacity-building approach, which targets public service at all levels. Set up with the mission of dealing with the political crisis of 1997-1998 (see Chapter Four), it had initially functioned as a political office focusing its technical assistance on matters of security, electoral processes and monitoring as well as public administration decentralization reform. However, its current focus is on training of local officials, through a ‘learning by doing’ philosophy, in areas which include participatory governance and budgeting, strategic planning and performance-based management (D8). One example of its successful capacity-building efforts is training local staff in managing public information centres (D5). As regards capacity building at central level, the policy of the OSCE is to work directly with independent institutions such as the Parliament and the CSC in strengthening their capacities for administrative efficiency and government transparency through modernization of HR practices and on-the-job staff training (G11, G13).

SIDA has also placed emphasis on administrative capacity building, making it a priority and comparative advantage in their strategies for development cooperation in Albania (N6). The overall strategy of Swedish aid supports ‘Albania’s own priorities as expressed in the NSDI and in the commitments set out in the European Partnership and current SAA
Although SIDA’s assistance supports PAR in general (see above), its ‘administrative capacity’ is not extensive but rather related to specific sectors in compliance with its development policy in Albania, which prioritizes the sustainable use of natural resources and the environment as well as gender equity (ibid. 6). As such, enhancement of administrative capacities is central to a specific capacity-building model that SIDA applies in Albania via ‘bilateral twinning’ (i.e. via training involving a mix of international and local consultants), a concept used extensively in the Europeanization theory (Radaelli 2003, Papadimitriou and Phinnemore 2004). SIDA also uses through on-the-job peer capacity development, promoting dialogues between foreign and local peers (D9). A recent report by SIDA summarizes its achievements regarding administrative capacity building in the light of domestic constraints as well as plans for future support:

(Although) the implementation of essential reforms has often been delayed, due to a polarised political climate… while the lack of ownership and a high staff turnover have caused problems for some projects and initiatives… Swedish development cooperation with GoA has generally worked well, and the progress made in developing Albania’s capacity means that prospects for increasing Sweden’s aid programme are favourable… . (SIDA 2009)

ADA pursues a similar capacity building approach. It orients its training towards its development priorities in Albania, which include vocational education, gender equity/social protection and improvement of water supply infrastructure. In its philosophy, training is often highlighted as a ‘conditionality’ in all development projects even though, as a senior development officer of the Agency stated, the difference in mentality between the Agency as a donor and its beneficiaries when it comes to capacity building seems to have hampered the effectiveness of several of its training initiatives:

Ministries see foreign assistance in the form of ‘hard investments’ while the donors see it as a mix of aid as investments plus capacity development to manage those investments… . In order to deal with issue, we (ADA) have, for instance, recently had to block/postpone a major infrastructure improvement project until a Ministry (the beneficiary) signed up for its obligations to participate in all the training components of the project as part of the government commitment to the ownership of the project. However, even when some of those commitments were met (often to please the donor), the wrong people were sent to the training or if certain trainees were competent, they have no power whatsoever in the clan- or hierarchy-based ministries they come from. (D14)

Nevertheless, ADA clearly has plans to continue its bilateral support to Albanian administrative capacity building, whereby training will be an essential part of their assistance. Other bilateral aid agencies, such as SNV and DFID, are gradually phasing out

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86 See also 6.4.1
87 See discussion in 3.4.5 (Chapter 3)
their support to Albania as foreign aid in Albania is increasingly being equated with EU aid (D14, N2). However, in the perspective of other non-EU bilateral donors such as the SDC, which targets its training efforts in Albania towards areas such as employment, decentralization and regional cooperation, there are more serious implications for countries like Albania as the EU accession agenda and EU aid take over:

The country’s economic and social development policies as reflected in the national development strategies such as NSDI which is preceded by the National Strategy for Socio-Economic Development (NSSED) are based on the application of the IPA instruments. The naming of the strategy itself is indicative of the focus on the (EU) ‘integration’ component of the strategy, which should be based on a domestic development agenda rather than on EU integration. Sometimes, discrepancies between a development versus an EU approach to capacity-building is often reflected in the inappropriate type of training or even timing of certain donor projects. (D15)

In addition to training delivered by individual bilateral or multilateral donors, the research also found evidence of joint cross-sector capacity-building initiatives benefitting public sector reform largely. The latter seem to have emerged out of concerns among donors about previous aid programmes focusing on training of public servants at central level only in a country which is highly decentralized (D5, D8, D14). An example of this would the cooperation between the CoE and the OSCE (as SDC contractors) in the implementation of the ‘Reinforcement of Regional and Local HRM in Albania’ Project (D7). Another example would be SIDA’s efforts to integrate its training efforts through larger donor programmes, such as the WB-administered MDTF for the implementation of the GoA’s Integrated Planning System (IPS) (D9).

The EU and the WB, however, still seem to maintain a certain focus on civil/public service reform. A recent Training Needs Assessment Report developed by a WB consortium leading to the development of EU-supported National Training Strategy for TIPA (2011-2013) and a joint study on the status of HRMIS in the public sector are perhaps the best example of the continued collaboration between them. Meanwhile, through SIGMA, the EU and the OECD continue to be lead actors in policy learning towards regulatory aspects of public administration in Albania (D1, D6, G2, G9, N1). An example of their joint efforts is a recent initiative to draft a strategy paper on the development of yet a new CSL, an effort which appeared to be under way as the research fieldwork progressed (D6, G6, N1). Thus, despite earlier signals, based on which it may be claimed that transfer to administrative reform in Albania might resemble one built on NPM principles, the recent

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88 See fn 45
preference for administrative law may be indicative of an inclination towards Rechstaat culture and/or the NWS-type reforms (Archmann 2009, Pollitt and Bouckaert 2011).

From an ‘aid coordination/effectiveness’ perspective (see Chapter Two), it appears that, with the exception of the WB-EU/OECD collaboration, joint initiatives undertaken by bilateral donors are isolated and not necessarily indicative of a coordinated policy among them, at least as regards transfer towards administrative reform, and in particular, capacity building. However, institutions and mechanisms of aid as part of the GoA commitments to the PD, focusing on the ‘donor-bureaucrat’ interaction through Sector Working Groups (SWGs) for all sectors including PA, reinforce the arguments for the salience of such interaction for policy transfer (Dolowitz and Marsh 2000). Yet, based on the accounts of interviewees, the lack of an SWG on capacity building to date may be taken to argue that a coordinated policy transfer towards this essential component of reform is still lacking (D9, G10). This will be part of the discussion in Chapter Seven.

6.7 Summary and discussion:
Administrative reform and capacity building for development or EU accession?

In the years following the collapse of communism in Albania, international aid policy targeted ‘state-building’ and general reform without any obvious concern for administrative reform, let alone administrative capacity. Following the turbulent events of the 1997-1998 pyramid schemes, the WB, the EU, the EBRD and the IMF attempted to devise a coordinated approach to assisting Albania, which led to the development of the first national development strategy, in which administrative reform figured, for the first time, as one of the seven strategic elements of political, social and economic governance reform (Elbasani 2009). As early as 1996, the efforts of SIGMA, an EU/OECD initiative, focused on developing the regulatory framework around the functioning of public administration in Albania as part of the policy of the EC towards preparing future candidate countries for participation in the European space (Verheijen 2003). After failed attempts to pass the first civil service law (CSL) due to an unstable political culture and a weak institutional environment, unprepared for its implementation, it was not until 1999 that, with the close assistance of the EU and the WB, the first CSL was passed by the GoA (policy # 8549). Combining elements of both ‘career’ and ‘managerial’ model of civil service management,

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89 I refer to the discussion, earlier in this Chapter, on the managerial model promoted by the WB in the early years of transition as well as re-positioning of DoPA and introduction of independent agencies and temporary contracts as of 2005

90 Sector Working Groups (see Figure 3)
the CSL can be interpreted as the highlight of the WB-EU joint efforts towards administrative reform in Albania in the late 1990s.

The analysis in this chapter has reinforced the arguments around the ambiguous and controversial nature of international aid as discussed in the literature (Riddell 2007, Easterly 2010) by also demonstrating contradictory modalities of aid at least when it comes to transfer towards administrative reform. Thus, having identified both the EU and the WB as ‘policy transferors’ and drivers of administrative reform in the early years of transition in Albania, the research points to the conflicts between the ‘managerial’ and ‘career’ models of reform as respectively promoted by the WB and the EU. Based on the central argument that implemented policies and programmes are a remarkable element of policy transfer (Evans 2004), the chapter has analysed the role of the WB’s PAR Programme (1999-2005) in promoting merit-based recruitment, protection and independence of the civil service, through the creation of the Civil Service Commission and institutionalization of top civil service positions (Secretaries General). Challenging the arguments encountered in the literature on reform doctrines and trajectories (Pollitt and Bouckaert 2004), the research argues that some of the latter had proven and are still considered to be, overly ambitious in our case study. This chapter has also discussed the EU CARDS Programme (2001-2006) and its role in introducing, in addition to a career-based model of administrative reform, elements of HRM such as performance management and training in the Albanian public service without due consideration to domestic constraints such as persistent organizational weaknesses and politicization of bureaucracy, which resonate with arguments discussed in the policy transfer literature (Dolowitz and Marsh 2000, Peters 2010).

Most significantly, drawing on discussion on implications of Europeanization for administrative reform (Hoffman 2005, Petersen 2010), the analysis has focused on the politics of EU accession and aid conditionality in the Albanian context. Thus, it has confirmed that while the EC has been continuously assessing, prioritizing and rating Albania’s administrative progress (Elbasani 2009), it was only in 2006 when the GoA and the EU signed the SAA Agreement (the first step to the EU accession) that administrative capacity building became an essential part of the EU’s aid policy in Albania. This may be taken to argue that it became part of a negotiations agenda to further the political process of EU accession rather than an integral part of the reform agenda. That is reflected in the funding for administrative capacity building which, as a review of secondary data reveals, amounted to 18% of total EU aid for Albania during 2005-06 when the SAA was signed.
This may be indicative of administrative capacity building being part of a political process rather than an inherent tool to support administrative reform for effective development.

The above argument is also substantiated through the analysis of the current EU’s Instruments of Pre-Accession (IPA) 2007-2012, whose projects appear to focus on alignment with EU standards and compliance with the requirements of *aquis communautaire*, whereby the MoEI is the principal beneficiary in Albania. Based on an analysis of current aid allocated for ‘administrative capacity building’ under IPA, which represents only 1.3% of the total aid from the EU to Albania, it is clear that the funding for the capacity building of domestic organizations responsible for administrative reform implementation (DoPA) has been significantly reduced as compared to the funding under CARDS. Besides, aid has been confined to regulatory frameworks around administrative reform, a recurring theme in the last two decades. On the one hand, this may be a reflection of the paradoxical nature of the EU aid, especially as the progress of administrative reform is a key conditionality for EU accession, while Albania, as an EU ‘potential candidate’, is not eligible to access aid towards HRM under the terms of IPA. On the other hand, while the EU continues to support the separation of politics from the administration based on the Weberian model of PA/Wilsonian dichotomy (see Chapter Three), its approach in the last 4-5 years indicates a ‘push’ towards building a ‘Rechtstaat culture’ state in contrast to signals of an administrative reform based on NPM principles embraced by the GoA in the mid-2000s (see fn 89). This may explain the arguments of the literature claiming that Albania is among countries that have adopted the hybrid NWS (Lynn 2008, Archmann 2009).

Nonetheless, both through CARDS and IPA, the EU aid has been instrumental in strengthening the capacities of TIPA as the central capacity building agency responsible for training of public servants. The downside of this approach, as the accounts of interviewees revealed, is that this may have led to a reduced impact of aid on the HR functions of public organizations, such as ‘line’ Ministries’, which, unlike their ‘Western’ counterparts, are still disconnected from both domestic or aid-supported training and policy learning. A further interpretation of this argument will be part of the discussion in Chapter Eight.

A strategic shift is noticeable in the policy transfer from most bilateral donors, including the WB to the GoA in recent years as their assistance has been reformatted to broadly support public sector (rather than civil service) reform. That is reflected in the donor support towards the Public Administration Reform (PAR) Strategy (GoA policy # 1017)
within the NSDI (2007-2013) supported through the MDTF (see fn. 82). Bilateral donors such as SIDA, ADA and GIZ have also embraced this approach as they highlight the ‘EU accession’ element in their policy learning activities, which are otherwise driven by their development priorities in Albania. Following the discussion in Chapter Five, the EU and other donors have also recently engaged in the global ‘aid effectiveness and coordination’ agenda. The discussion in the next Chapter (Seven) will focus on the mechanisms and institutions of their policy transfer towards the Albanian public administration.

More specifically for administrative reform and capacity building, the research findings will point to the facilitators and constraints of policy transfer as related to the specificity of national politico-administrative context (Dolowitz and Marsh 2000, Pollitt and Bouckaert 2004). The multi-level analysis of such context (ibid, Common 2004, Evans 2004) will help to identify certain elements of political and administrative culture which, as the findings will reveal, have modified and even blocked the implementation of capacity-building initiatives by the EU and other bilateral donors. Drawing on both the policy transfer continuum (Dolowitz and Marsh 1996) and the theoretical interpretations around the use of conditionality instruments by the EU (Hoffmann 2005), the role of the national politico-administrative context in the transfer towards administrative reform will be part of the discussion in Chapter Eight. A chronological timeline of developments in administrative reform and capacity development in post-communist Albania as supported by policies and programmes of international aid organizations based on the discussions throughout the chapter (Figure 7 below) will help to guide that discussion.

In essence, the findings suggest that aid-supported programs over the last 4-5 years in Albania have focused on a broader public sector (rather than civil service) in line with the EU accession (rather than development) processes. The approach has been supported by bilateral donors operating in Albania, which implement capacity-building programs to fit their development priorities. While the EU has focused its capacity building on its Albanian counterpart institutions in charge of alignment with EU standards, its collaboration with the WB, as the sole aid organizations currently providing assistance towards administrative reform is confined to regulatory frameworks. However, their significantly reduced funding towards capacity building of domestic agencies responsible for reform implementation can be linked to the limited impact of their aid on HRM practices in the public sector at large.

91 See Chapter 3
### Timeline tracing developments in administrative reform and capacity building

*Source: My own summary based on elite interviews, focus groups and documentation review*

<table>
<thead>
<tr>
<th>Year</th>
<th>Policies and programs</th>
</tr>
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| Early 90s | ▪ Aid policy focused on and state-building  
            ▪ No clear strategy or focus on administrative reform per se  
            ▪ One-off efforts by EC contractors under PHARE Programme (1991-2000) |
| 1994     | ▪ The Department of Public Administration (DoPA) is created |
| 1996     | ▪ First Civil Service Law (CSL) drafted with the assistance SIGMA (OECD-EC) is passed by the Parliament (Policy # 809) |
| 1998     | ▪ A substantially revised version of the CSL is introduced |
| 1999     | ▪ With the joint assistance by SIGMA/OECD and the WB, a full version of the CSL (combining elements of ‘career’ and ‘position’ model) was approved by the Parliament in November 1999 and became effective in January 2000: ‘Statusi i Nëpunësit Civil’ (Policy # 8549) |
| 1999-2005 | ▪ The WB-funded ‘Public Administration Reform’ (PAR) Program in Albania; drafting of the CSL Law, alignment of DoPA under jurisdiction of PM’s Office, establishment of Civil Service Commission (CSC) |
| 2000     | ▪ Training Institute of Public Administration (TIPA) is set up (Policy # 315) |
| 2001-2006 | ▪ EC CARDS (Community Assistance for Reconstruction, Development and Stabilisation in the Balkans) replaces PHARE  
            ▪ Under CARDS 2003, “Encouragement of Civil Service Reform” (2006-2008) focused on: a) vertical PA (implementation of acquis); b) horizontal (administrative reform and capacity building  
            ▪ Assistance to TIPA to develop 3-year training strategies (2002-05, 2006-09) |
| 2007-2010 | ▪ EC IPA (Instruments of Pre-Accession) replaces CARDS  
            ▪ IPA 2007 & IPA 2008 support individual institutions: INSTAT and MoEI  
            ▪ IPA 2008 “Support to DoPA” Project (implemented by GIZ) contributes to Executive Order (Policy #) 8459; “Changes to Policy 8549 on Civil Service Law” (PM Office 2010) |
| (2010)   | ▪ The administrative capacity of DoPA for civil service management in central institution and overall implementation of public administration reform strategy are insufficient. The high turnover as a result of both politicisation of recruitment practices and a position-based system providing for redundancies have undemined meritocracy and lowered the capacity of PA (EC 2010) |
| (2011)   | ▪ Public service reform has not advanced much overall. Important legislative act required 3/5 majority in Parliament are awaiting adoption. The functioning of civil service continues to suffer from politicisation, in particular appointment. Implementation of PM Order setting a maximum of 2,5% temporary appointments in the civil service remains poor (EC 2011). |
Chapter 7. INSTITUTIONS AND MECHANISMS OF INTERNATIONAL AID

7.1 Introduction

The Dolowitz and Marsh (1996, 2000) framework identified institutions and mechanisms as essential elements of policy transfer mostly between developed countries (Evans 2009). To re-iterate the discussion in Chapter Three, more specifically for developing country contexts, international aid organizations have been identified as a key actor engaging in policy transfer, particularly transfer based on aid conditionality. Some of them are involved in policy transfer through provision of aid to spread the transfer of ideas and ideologies across the globe while some others use it as a policy instrument to familiarize developing countries with ‘Western practices’ and neo-liberal economic and social policies or the spread of doctrines such as the NPM (Pal and Ireland 2009, Stone 2011). Thus, ‘international organizations act as mechanisms that increase the flow of knowledge in given policy areas and thus, the international arena has the potential to become an extension of or an alternative to the state arena’ (Common 1998: 71, Kapteyn 1995, Wallace 1996).

This chapter presents the research results starting with a discussion of the role of two specific organizations, the OSCE and the OECD in assessing the role of international aid with reference to reform processes in post-communist Albania from the early 1990s to date. Even though this thesis seeks to explore processes rather than outcomes through which aid has influenced a specific sector, public administration, investigating the role of ‘aid effectiveness’ mechanisms, irrespective of their technocratic approaches, is important for both understanding the process as well as interpretation of outcomes92. More specifically, the initial discussion will focus on two key mechanisms of transfer such as the FoA (Friends of Albania) and the DTS (Donor Technical Secretariat). What follows is a description and analysis of the respective roles of both international community and national institutions in the assessment of the impact of aid policy through the adoption of

92 See Chapter One (Introduction)
global aid coordination and effectiveness mechanisms in addition to monitoring and evaluation of individual donors, with specific regard to the aforementioned sector\textsuperscript{93}.

Based on the research findings, the chapter ends with a discussion which summarizes the key points discussed through a critical outlook on institutions and mechanisms of transfer through international aid. More specifically, the discussion highlights the implications of global and in-country ‘aid effectiveness’ institutions and mechanisms in the context of administrative reform doctrines\textsuperscript{94}. Most importantly for the context of this research, the intention of such a discussion is to pave the way for the debate on the relationship between international and domestic actors as well as the dynamics of the externally versus internally motivated reform and capacity development in the research context (Chapter Eight).

7.2 The Friends of Albania (FOA) Initiative

7.2.1 Background

From 1992-1996, many donors regarded Albania as another emerging CEE country in transition to a market economy and, therefore, international aid instruments extended to it were comparable to those offered to Hungary and Poland (Fritz 2006). However, the failure of the first post-communist government and political changes in 1997 woke up the international community to the fact that Albania had a unique modern history that required more traditional DAC country programming (ibid). In both Chapters Four and Five, it was discussed that the particular international organization, which launched the first efforts to coordinate donor programmes aiming at reform and capacity building in post-communist Albania, was the OSCE. As a political organisation, the OSCE set up its office in Albania at a moment of political crisis: the civil unrest following the collapse of the pyramid schemes and the failure of the state in March 1997 (D8)\textsuperscript{95}. Thus, its original goals were not to provide donor assistance, but rather to stimulate political dialogue, undertake political mediation, and monitor developments on the ground. This was all done with a view to conflict resolution and prevention (D16). However, despite its political role and mission in the country, OSCE attempted to launch modest capacity-building projects, which a former political advisor interviewed for this study described as follows:

\textsuperscript{93} An introduction to global aid effectiveness/coordination institutions has been integrated as part of the literature review in Chapter 1 and 2 (see 1.2 and 2.2.4)

\textsuperscript{94} See also discussions in 3.4.3 and 6.4.1

\textsuperscript{95} See Chapter 5
The (OSCE) presence in Albania did have some one-off projects that were small in scope to provide assistance to the public sector, such as training of public servants... Examples of this would be training of the Albanian police on human rights; or placing a foreign consultant within the Prosecutor-General’s Office to provide day-to-day assistance in running the office. This approach began to change over the course of time as the acute crises (1997, October 1998) in Albania subsided... (E1)

Around the time the OSCE set up its office in Albania, the organization as a whole had begun to shift its aid as many of its Participating States grew increasingly hostile to hosting OSCE “missions” within their territories, which monitored and reported on all of their mistakes (E1). Thus, the OSCE changed their scope to include project implementation; OSCE Missions in Ukraine and Central Asia, for example, became “Project Offices” (CSCE 1994). Participating States were encouraged to fund projects through OSCE missions and missions were encouraged to work to secure donor funds for their initiatives. The same seems to have occurred progressively in Albania, where the OSCE’s work went from being dominated by monitoring to implementing capacity-building projects (D16).

However, as discussed earlier (see 4.4.3.2a), given that the role of OSCE in implementing capacity-building projects seems to have been fairly modest, at least if compared to other donors, the discussion here will focus on its ‘transferor’ role in coordinating the programmes of donors as part of their policy transfer. Thus, the first mechanism, the ‘FoA’ Group, which represents the starting point for aid policy coordination as instrumental to administrative reform and capacity building in Albania will be explored (G4).

### 7.2.2 Creation of the FoA

As discussed in both Chapters Four and Six, following the civil and political changes of 1997, the international community had already conceived of a coordinated approach to assisting Albania through the Strategy for Recovery and Growth (SRG) with the assistance of the WB, the IMF, the EBRD, and the EC. However, the key aid organizations were getting concerned that, despite the change of political regime in 1997, the new SP-led government had failed to achieve many of the planned reforms under SRG (WB, EC and EBRD 1997). As a matter of fact, such a failure was exacerbated by a political crisis which lingered through 1998 and culminated in the assassination of one of the leaders of the DP, the first post-communist government. The international community, amidst an escalating political climate in Tirana, worried that Albania was going to slip back into chaos;

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96 See 6.2
therefore, US and Italian diplomats devised a new mechanism for aid coordination that would reinvigorate the international community’s support for Albania and at the same time it would monitor Albania’s progress in undertaking necessary reforms (ibid). Hence, following the troubled events of 1997-98, the international community launched the Friends of Albania (FoA) Group in October 1998 (OSCE 2010).

Most importantly, the FoA represented an international initiative to put Albania back on the path to reform. The OSCE Office in Albania was responsible for acting as the Secretariat of the FoA from its creation in 1998 until it ended in 2002 (E1). From its inception, the FoA attempted to provide a coordinating platform for donors. More specifically, it aimed at: a) information sharing, getting donors to provide information to other donors about their programmes; b) policy coordination, getting donors to adopt a common approach to solving problems; c) reform monitoring, establishing a system to track GoA reform efforts; and d) message amplification, getting donors to speak with one consolidated voice to the GoA on reform issues (OSCE 2010). It is therefore important to study how the mechanism operated as part of the donors’ policy transfer to the GoA.

7.2.3 Organisation of the FoA

The FoA operated on several levels. On the international level, through the International Plenary Meetings, the FoA met at regular six month intervals to review the progress of reforms and to coordinate an effective international aid approach to Albania; the meetings were held under the joint auspices of the EU and the OSCE while the international conferences took place in Vienna and Brussels alternately (OSCE 2010). Attempts at policy coordination were initially reflected through a mechanism referred to as the “Donor Matrix”, which consisted of a list of reform initiatives supported by international aid and tracked the progress of the reforms and aid projects; the ‘Matrix’ formed the basis of the discussions of the above international conferences, resulting in a set of conclusions which represented the consolidated voice of the international community to the GoA (E1).

On the national level, the FoA met at ambassador level at regular intervals, usually to prepare for and agree on official communications to be put forward at the international conferences (E1). The FoA also convened when major initiatives were launched, such as the national anti-corruption plan (OSCE 2010). The technical coordination at sector level

97 This will be discussed further in 7.2.7
was carried out in sector working groups, which met on a variety of issues, from police reform to electoral reform (D16). The accounts of interviewees indicated that the OSCE played a key role in not only updating the Matrix but rather providing extensive ‘sector reports’ on a full range of reform areas (E1). While the Donor Matrix was more of an exercise, ‘sector reports’ provided detailed evaluations on Albania’s progress with reforms.

7.2.4 FoA: Between the GoA criticism and international conflict

From the beginning, the FoA underwent constant reform to adapt to criticisms from both the GoA and other key members of the international community, who did not like the lead role of the OSCE (D16). Therefore, despite the fact that, over time, the OSCE augmented its support for the FoA, it perhaps became a victim of its own success:

‘The more that it (FoA) consolidated the coordination effort and put more resources behind it, the more the GoA disliked it and the more other large donors began to dislike it…. The GoA’s initial criticism against the FoA grew stronger as the years passed, as overall it found it to be a humiliating experience…. The international conferences, for example, were organized on a two-part schedule. During the morning session the “FoA” would meet together and decide on the conclusions. Then, in the afternoon, they would meet with the GoA to communicate those conclusions and hear an update from Albania on the progress of reforms. The GoA did not like this arrangement, because it found that it was more akin to a trial with everyone was ganging up on it…. The other donors disliked it because they wanted to be the international community coordination leaders…. (E1)

By 2002, the GoA felt that the FoA had outlived its necessity due to the SAA process, which had already started (EC 2002)98. Although the SAA process included the same sort of judging exercise, the GoA felt that it was more appropriate for the EU to judge Albania than a group of “Friends” that included Macedonia and Russia (E1). Besides, the sector reports (see 7.2.3 above) were not negotiated with the GoA, which felt it had no voice to defend itself against any of the criticisms in the report (D16).

As the first official mechanism of international policy transfer, the FoA was also subject to attacks from donors themselves. As a political advisor interviewed for this study would put it, ‘the more the FoA established a more organized structure of meetings (sectoral, national, international), the more big donors began to complain about it’ (E1). Even though the accounts reveal that the main motivating factor for the rivalry was perhaps less institutional and more personal, from the EC point of view it was very definitely institutional (D16, E1, N5). Based on the accounts of various interviewees, an attempt will be made to provide an

98 See also 5.2.3 and 6.4
analysis of the dynamics of the “rivalry” between the biggest donors, the WB, the EC and the UNDP as they engaged in the FoA mechanism in the process of transfer towards reforms in Albania.

Thus, the WB as a leader under the SRG initiative and a prime donor for the economic development sector felt that it should be leading donor coordination efforts (D13). The EC also a large donor under the SRG, on the other hand, saw that it should be a leader of donor coordination and this was reinforced once Brussels defined the SAA process, to which Albania aspired (G4). Based on the accounts of interviewees, the root of the EC vs. FoA rivalry had to do with the fact that the former saw the latter as an American creation:

At that time, many within the EC had negative views over the close relationship between Albania and the U.S. This EU-US rivalry played itself out in the conflict over the FoA. The U.S. was a very strong backer of the FoA. Consequently, the EC adopted a sceptical approach to it, even though the international meetings were co-chaired by the EU Presidency and the OSCE C-i-O99. At one point, the EC joined the WB in reinstituting the Recovery Programme, which went nowhere. The OSCE established very close work relations with the EC in Tirana. It was made clear that the problem did not lie with the EC in Tirana, but rather that they had to operate under instructions coming from Brussels. However, when the FoA issued the Sector Update Report in March 2001, the EC (both Tirana and Brussels) were somewhat upset, because (unknown to the FoA Secretariat then) the EC had decided to institute an annual reporting mechanism to track reforms in Albania as part of the SAA evaluation process. The EC was mad that the FoA had “stolen its thunder”. (E1)

Moreover, as the USAID took the lead on policy and justice reform issues in 2002, a new front of rivalry had opened up with the UNDP. UNDP usually played a donor coordinating role in developing countries, but despite having had a very low, almost non-existent profile in Albania, claimed it should have a leading role in donor coordination:

In 2002, UNDP sent a new RP100 to its profile within the donor community…. From the start, the RP directly told the FoA Secretariat that the OSCE should not be coordinating donors, but that UNDP should because it does donor coordination everywhere around the world. So while the OSCE had eventually managed to achieve regular cooperation with the WB and the EC by this point, the UNDP not only adopted a combative stance towards the FoA, but also clashed openly with the WB. Some rumours indicated that the hostility between the WB and UNDP was much worse than that between the UNDP and the OSCE… and the FoA was in the middle…. . (E1)

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99 Chief Information Officer
100 Resident Representative
7.2.5 The FoA Reform and Improvements

Given the GoA criticisms and the conflict with the other donors, the FoA Secretariat undertook several reforms. The first big change was to establish technical working groups divided into sectors, which mirrored those defined under the Stability Pact. The FoA Secretariat chose to adopt the Stability Pact structure (see 5.4.1) because: (1) it was a regionally agreed upon structure; (2) it provided a way to share responsibility with other donors; and (3) the GoA was agreeing to reforms under the Stability Pact and so linking the FoA to that structure would harmonize the approach and general reform issues (D16).

This change gave the WB and EC joint responsibility for organizing technical coordination on economic development issues (D13). It was a way to fit the WB/EC leadership in the Recovery Programme into the FoA framework while the OSCE led on or identified other donors to take up the coordination in other sectors. With the launch of the WB/IMF-backed GPRS in 2000, the FoA also explicitly began to link the reform initiatives into the GoA national strategy for economic development and reducing poverty (OSCE 2010). This marked a major improvement in the coordination among donors in Albania, leading to positive pressure on the GoA as it developed, with the assistance of the donor community, the 2001-2006 National Strategy for Socio-Economic Development, referred to as NSSED (D13, E1, N6). The latter was then succeeded by the current National Strategy for Development and Integration (NSDI), a medium- to long-term document with a planning horizon for the period of 2007-2013, encompassing both the reform framework of the EU’s IPA and PD dimensions (WB 2010). The cross-sector PAR Strategy (see Chapter Six) as an integral part of NSDI may be taken as example of the direct role of international aid organizations in strategic policy transfer towards administrative reform.

7.2.6 Weaknesses of the FoA

Clearly, the FoA suffered from several weaknesses. Its overly political but perhaps insufficiently technical nature rendered it into a mechanism for some donors to criticize the GoA. By choosing the OSCE as the Secretariat for the FoA, the international community had made a conscious choice to give the responsibility to a political organization (D16). Besides, the FoA lacked involvement from the GoA, which was “allowed” to participate.

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101 See also 5.4.1
102 Growth and Poverty Reduction Strategy
103 See Chapter 2 (2.2.4), Chapter 5 (5.4.2) and Chapter 6 (6.5)
only at certain moments while it should be recalled that the FOA was created at a moment when Albania seemed poised to fall back into chaos (E1). Therefore, its role was necessarily circumscribed by the GoA’s own weaknesses, which became evident during Stability Pact meetings and FoA technical working group meetings when donors did ask the GoA to take the lead on issues and the GoA simply lacked the qualified public servants and decision-makers to make it work:

The miscommunication between the GoA and the donors and among donors themselves can be probably attributed to the over-political nature of OSCE… . However, the missing factor was really the GoA… . Part of the problem was also the lack of capacities, including language barriers and the necessary marketing skills to represent themselves as equals in donor-government discussions, on the part of the GoA official … . Over time, even as the GoA became stronger, the FoA Secretariat and other donors looked to it to take the lead progressively [but]… without the GoA laying out a clear plan, for which it looked to donors for support and in so doing requiring them to coordinate, there was never going to be proper coordination. (E1)

In essence, the FoA never achieved proper coordination. By being a political organization rather than a donor, OSCE achieved the minimum it could achieve in terms of aid coordination but, at best, FoA was a good information sharing exercise (E1). It was effective in distributing information about various donor programmes and in keeping members of the donor community up to date on reform progress (OSCE 2010). Many donors did not want to coordinate, some did not even want to share information and some donors were ‘freeloaders’, taking information from others and contributing very little, but most donors had projects based on their own political and diplomatic objectives (D16). It was therefore difficult to change projects to achieve better coordination if it meant compromising on those objectives, which donors did not have to do without GoA forcing them (E1, D16).

7.2.7 Demise of the FoA

By the time the last international FoA conference took place in April 2002, the OSCE had held numerous talks about terminating the FoA as it saw two major trends leading to its end: (1) the launch of the GPRS as a potential strategic economic development plan around which donor aid could be coordinated; and (2) the launch of the SAA process as a new mechanism with real objectives for the GoA to adopt reforms104:

104 See above (7.2.5) and also fn 102
At that point, the OSCE presence stressed: Yes, FoA should end... but not before the international community had replaced it with something else... Unfortunately, no one understood the message. So, FoA unceremoniously ended its work in April '02. (E1)

However, the FoA had tried to prepare the way for an eventual turnover to the EC (E1). For example, the FoA made the original proposal to the Albanian PM to create a new advisory position, a Minister of State for European Integration, which eventually became the current MoEII. Around the same time, FoA, which till then had been led by the EU, WB, UNDP and OSCE and steered by the latter, became a forum whereby the two key donors, the WB and the EU started discussions for a coordinated strategy for administrative reform and capacity building in Albania (G4).

7.3 The Donor Technical Secretariat (DTS)

7.3.1 A new donor coordination mechanism

Nearly two years after the FoA ended, the donor community came together again in late 2003 to find a new solution to the lack of effective donor coordination in Albania. It was exactly what the OSCE had predicted would happen by ending the FoA without a replacement mechanism (E1). On the one hand, the EC’s annual review process started out slowly and did not have the depth of knowledge of many reform issues (e.g. legal/judicial reform) including administrative reform even though the EU-funded CARDS was already underway; however, in other areas, particularly economic issues, the EC was very competent and provided enlightening analytical reports (E4). On the other hand, the GoA still did not have enough experienced technical staff to manage donor coordination effectively; it may therefore be concluded that together, these two factors meant that donor coordination suffered a setback of about two years from mid 2002 to late 2003 (E1).

Irrespective of the previous efforts via the FoA, it is believed that only in late 2003 did donors begin to discuss seriously the critical problem of donor fragmentation, wasteful duplication of effort and lack of absorption of international aid in Albania (Fritz 2006).

In December 2003, a Donor Co-ordination Architecture was approved, based on the leadership of four multilateral agencies: the EC (Justice and Home Affairs), WB (Social and Economic Development), UNDP (Governance and Capacity Building) and the OSCE Presence (Democratization and Human Rights). Each organization oversaw a series of

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105 Ministry for European Integration
106 See Chapter 6
working groups within the defined sectors, with the EC acting as the chair of the groups. The four were also represented in a body known as the Donor Technical Secretariat (DTS), which managed the functioning of the Donor Co-ordination Architecture through ‘donor round tables’\(^{107}\). Thus, the DTS was established as a mechanism (rather than an organization) with the objective to facilitate a structured donor-to-donor and donor government dialogue (D2). Each of the agencies chaired the round tables on a rotating basis, but:

by doing so, while the international community criticized the FoA, it ended up creating a new mechanism that was very much like the old FoA! But this time, all the rivals had a seat at the table. The first meetings of the DTS discussed the same procedural and technical issues that the FoA dealt with back in 2000 – four years earlier! (E1)

There was one big difference, however, and it marked a major step forward. The DTS explicitly worked to build government coordination capacity (D2). Firstly, this was achieved through the GoA nominating its own structure (Government Technical Secretariat) mirroring the DTS to give coherence to its interactions with the donor community, which worked to formulate a policy document on an ‘Integrated Planning System’ (IPS) launched in May 2005 (E1)\(^{108}\). This was an important improvement to the coordination issue because it addressed the problem of the lack of the aid recipient in the leadership on planning and coordination of aid (see Chapter Two). Between 2008 and end of the fieldwork research in July 2011, the DTS reportedly expanded to with two bilateral donors, Germany and the Netherlands, whose membership was reportedly rotated annually (G10, D2).

At the same time, the wider international community launched a new global initiative to address the donor coordination issues through the PD (D2, E1)\(^{109}\). The Department of Strategy and Donor Coordination (DSDC) originating from the GTS, an institution under the direct jurisdiction of the Office of the PM, was therefore established in 2005 (G5). The platform of this initiative became one of the building blocks for the DTS and its support for the GoA to draft the IPS. Simultaneously, in 2005, the DoPA as the central government institution responsible for administrative reform implementation reporting directly to the Office of the PM during 1999-2005 was re-aligned as a directorate reporting to the MoI (G9)\(^{110}\). Based on the accounts of some interviewees, this is indicative of the

\(^{107}\) Quarterly meetings held at ambassadorial level  
\(^{108}\) IPS will be discussed in detail under 7.3.2  
\(^{109}\) See Chapter 1 (1.2), Chapter 2 (2.2.4) and Chapter 5(5.4.2)  
\(^{110}\) Ministry of Interior (see also 6.3.2)
GoA prioritizing compliance with global aid effectiveness mechanisms at the cost of domestic public administration reform (G4, G10).

Since then, the role of the DTS, jointly with the DSDC, has been to monitor aid programmes based on the 5 dimensions and 12 indicators of the PD, which have been further elaborated through the AAA (2008) and the Busan Partnership (2011). In this capacity, the DTS has coordinated three major OECD/DAC surveys (2006, 2008 and 2011) and maintained a ‘Donors Database’ with data on capacity-building programmes including commitment/disbursement amounts, type of aid (e.g. grant vs. loan) by donor. Even such data is aggregated quantitatively only (D2, G3). However, the focus of the DTS’s work is coordination rather than effectiveness of capacity building programmes, which, as an interviewee stated, are still seen as the ‘domain’ of donors:

Our (DTS) work does not involve impact assessment per se… It is mostly multilaterals (such as EU and UNDP) and bilateral which undertake both needs assessment reports prior to as well as monitoring and evaluation after their capacity-building interventions… We compile our reports based on their data … . (D2)

Clearly, as donors applied their own monitoring and evaluation (M&E) instruments, which arguably mostly help their internal planning and governance (Riddell 2007, Easterly 2010), it became evident during the field research that ‘impact assessment’ per se is neither the focus of the DTS nor the priority of individual donors (D4). While compliance with global mechanisms (the PD, etc) appears to be a concern of the GoA, most donors cited “limited funding” or “funding unavailability” as reasons for the lack of a focus on M&E and impact assessments for capacity-building interventions (D2, D8, D14, G3, G10). However, one particular donor organization, the WB, has been more ambitious than others in conducting follow-up/impact assessment going beyond M&E and as far as 2-3 years after completion of the capacity building programmes it had supported (D13). Overall, the accounts of some of the interviewees confirmed the complexity of M&E as a mechanism for impact assessment especially as its application varies across sectors:

M&E focuses on identifying gaps between objectives as set in programme proposals and their implementation in reality. In M&E, immediate outcomes (e.g. improvements

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111 The PD dimensions were mentioned under 1.2. The indicators include: 1) operational development strategies; 2) building reliable country systems; 3) aid flows as aligned with national priorities; 4) strengthening capacity by coordinated support; 5) use of country’s financial systems; 6) strengthening capacity by avoiding parallel project implementation units (PIUs); 7) aid is more predictable aid; 8) aid is untied; 9) use of common arrangements or procedures; 10) joint missions and shared analytical work; 11) managing for results; 12) mutual accountability.

112 Development Assistance Committee
in services, staff promotions) are much easier to assess compared to impact outcomes (e.g. improvements in knowledge/skills). Besides, M&E of capacity building in areas such as ICT is more straightforward whereas in areas such as public policy, gender, etc. is more subjective. While M&E is difficult in that it cannot be fully objective, impact takes longer [and]… may not even happen during the life of a programme. (D13, E3)

In essence, while M&E of capacity-building programmes continues to be the domain of the donors, with only a few donors using its results (‘lessons learned’) in their programming (D12, D14, D15), impact assessment has not necessarily been the priority of the GoA either (D5). The DSDC as the central government institution responsible for the implementation of global aid effectiveness mechanisms on behalf of GoA has two units (‘directorates’) – one for ‘NSDI Implementation’ and one for ‘Aid Coordination’ (G5). However, the fact that the DSDC does not have a designated unit for capacity building, as an interviewee echoed (D5), speaks to the argument that the impact assessment of aid on capacity building is not necessarily the priority of the Department.

### 7.3.2 Integrated Planning System (IPS)

However, what appears to be at the centre of the DSDC activities is the IPS, an important mechanism of transfer and the key national decision-making system for determining the strategic direction and allocation of resources through a broad planning framework, within which the GoA’s core policy and processes function in a coherent, efficient and integrated manner (DSDC 2010)\(^{113}\). Regulated via GoA Policy (Council of Ministers Decree) # 692 (November 2005), it was learned through interviews that IPS is, in fact, a product of the ‘One UN’ initiative, aiming to get all donors to use standard systems for review and evaluation of aid programmes (D2). As such, it became operational with the creation of MDFT supported by seven donors and led by the EC in 2007 (G2)\(^ {114}\).

Managed by the WB and monitored by the DTS, the $7.2 million IPS (MDTF) Trust Fund provides a mechanism through which line ministries can access donor assistance to build and increase capacity in management of international aid and EU/NATO membership in addition to the core processes which IPS supports, including implementation of 2007-2013 NSDI (D2, G5)\(^ {115}\). The structures that oversee its implementation include a Strategic Planning Committee, a Government Modernization Committee and an IPS Support Group (G5). As of June 2011, when field research was completed, two sub-mechanisms, namely

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\(^{113}\) See also 7.4.1

\(^{114}\) Multi-Donor or IPS Trust Fund (See fn 45)

\(^{115}\) National Strategy for Development and Integration (see 7.2.5)
the IPS Information System (IPSIS) and the External Assistance Management Information System (EAMIS) were reportedly under construction (D2). Their function would be to ensure that ministries can communicate performance information quickly and efficiently to central institutions (G3, G10).

The IPS is intended to be a mechanism for streamlining government policymaking and for improving donor engagement in Albania through the clearer identification of priority areas for international aid: the SAA Process (backed by the EU), the NSSED (backed by the WB/IMF) and the Millennium Development Goals (MDGs) backed by UNDP (E1 G5, D2). At the national level, the significance of the IPS consisted of the fact that it elevated the NSSED to the NSDI (see 7.2.5), whereby the EU has been identified as a lead donor and accession as a priority thus becoming an overall policy-making mechanism into which all of the other strategies have been fitted (D2, E1, G5).

As a policy-making tool, the IPS appears to have had a major impact on donor engagement in Albania since the GoA has been able to identify its own priorities and what it could afford within its budget; areas left outside the budget are supported by donors, who therefore would have to take their direction from GoA-identified priority projects rather than continue to work as before, which largely had pressured it into accepting donor priorities (E1). Therefore, the creation of the IPS has directly helped create a sense of ownership and strengthened government leadership in the process (G5). Most importantly, it is considered by most as a ‘best practice’ of interaction between the GoA and the donor community, previously suffering from lack of coordination and a focal point within the GoA (ibid).

A closer analysis of how the IPS has been operating in the last 2-3 years reveals that the mechanisms used for the implementation of IPS include CFCUs and SWGs in each Ministry responsible for: a) policy development; b) improved donor coordination; c) budget planning (MTBP); d) compliance with EU accession requirements; e) development of ICTs (DSDC 2008). In cooperation with and under the guidance of DSDC, such mechanisms serve as focal points for the coordination of not only the IPS but also IPA funds at ministerial level currently administered/managed by the EU (G5).

116 Stabilization and Association Agreement (SAA); National Strategy for Socio-Economic Development (NSSED); See Chapters Five and Six
117 Central Financial Contracting Units/Sector Working Groups
In line with the requirements of SAA (EU accession) and upon the accreditation of the GoA for the management of the EU funds aimed at capacity building of the GoA, the current SWGs and CFCUs in each ministry will function under the mandate of a new structure, Directorate(s) of European Integration (DEIs). Pending their accreditation, DEIs would then be upgraded to the SPOs\(^\text{118}\). However, this would supersede already existing units in Albanian ministries and as a division director stated:

Whether we talk about the CFCUs [supported by IPS] or the DEIs [supported by the EU], these are all parallel structures, which ultimately will duplicate (or perhaps eliminate) the work of the ‘Policy Coordination Directorates’ in ‘line’ Ministries (G10)

The section below will focus on the interaction among mechanisms and institutions of transfer through the Sector Working Groups (SWGs). In doing so, the discussion will bring back the dimensions of the EU accession and aid conditionality as discussed in the literature (see 3.4.5). The findings will speak to the implications of the institutions and mechanisms of international policy transfer for administrative reform and capacity building, as the dependant variables of this research in the Albanian context.

### 7.3.3 Sector Working Groups (SWGs)

Since the establishment of the DTS, donor coordination is carried out via a sub-mechanism referred to as the SWGs, composed of officials from Albanian Ministries and donor representatives (DSDC 2010). The purpose of their work is to coordinate aid policy and exchange information, thus avoiding overlapping of capacity-building interventions, for 8-10 sectors and approximately 33 subsectors (D2). Gradually, SWGs are focusing also on policy coordination through prioritization and monitoring of aid programmes while the challenge is to revitalize some of the dysfunctional SWGs and enhance the ministerial leadership in the process (ibid). However, even though the idea of SWGs is indeed commendable in theory thus leading to significant progress in aid coordination in Albania, their success, in practice, largely depends on the sector (D14, D15). For example, criticizing the ineffectiveness of the Public Administration SWG, one interviewee maintained that the way such mechanisms operate undermines the very idea behind their creation:

Unlike other SWGs, the PA SGW is not very effective; part of the problem is that, after all, it should be run by the government rather than by the donors…. In fact, that applies to other sectors too as, in most cases, it is not the Ministries, but rather, the donors who are pushing for such mechanisms. (D1)

\(^{118}\) Senior Programme Office
Other interviewees linked the ineffectiveness of this particular SWG to the lack of a focus on capacity building, which given the breadth of its scope, is important for all sectors.\footnote{119 Refer to discussions in both Chapter Two (2.4) and Six (6.6)}

Today there is no Government led sector group or thematic group on Capacity Development and for that reason for this particular area there is no structure established, perhaps for the reason that capacity building is very diverse in terms of content area and thematic focus. (D9)

The emphasis on exchange of information and coordination of aid programmes through SWGS rather than promotion of a policy dialogue between the government and the donors as highlighted by several interviewees is also undermined by the high staff turnover in the administration (see Chapter Six), which affects the follow-up activities of the SWGs (D2, G10). Questions about aid transparency as discussed in the literature (Riddell 1987, Lancaster 2007, Easterly 2010) also seem to hinder the process. Thus, several interviewees highlighted discrepancies in data between those available in Ministries as aid recipients and those reported by donor organizations. Others pointed to the lack of active participation of civil society and NGOs, in particular, which increasingly operate as ‘implementing partners’ in the implementation of capacity-building programmes on behalf of donors as having implication for the limited role of SWGs (D4, D8, G9, N2, N4). Donor funding to NGOs being seriously underreported (perhaps because DTS’s focus is on ODA), a donor officer opined that the lack of interest among NGO to participate in SWGs lowers their impact, while, on the contrary, NGO activists feel they are excluded from them (N5, D2).\footnote{120 Official development assistance (see 2.2.1)}

NGOs which are increasingly recipients of donor contracts for ‘capacity building’ programmes, are at the same time the most silent in SWG meetings where both donors and bureaucrats participate… In my opinion, the simple reason for their “silence” is because they are not interested… [in] reporting their activities based on funding which donors, which themselves do not report… (D7)

Even though the coordination between GoA and donors is considered to be ambitious and improving with the introduction of SWGs, some interviewees claim that the donors’ tendency to pursue their agenda(s) irrespective of the agreements concluded via the SWGs is part of the problem (D2, D9). Bluntly challenging the generally accepted view that Albania represents a ‘success story’ in terms of sound aid coordination/effectiveness institutions and mechanisms, a number of non-EU donors officers interviewed referred to the latter as ‘existing but progressing very slowly’ (D2, D14, G5). For them, the problem is that certain donors operate in a rather isolated, stand-alone manner and see efforts of
others for aid coordination as efforts for control (D15). In fact, differences in philosophies and clashes between the EU and non-EU donors in SWG meetings are sometimes problematic (D1, D14). In the words of an interviewee representing a (non-EU) donor, SWGs are “simply ineffective” for many reasons including donors’ self-interests:\footnote{121}

\(\text{While) the priorities set in the national strategies limit creativity in donors’ efforts to effectively coordinate capacity building, there is an overemphasis on ‘avoidance of overlapping’. What is not understood is that that ‘redundancy’ is not necessarily had as long as aid is efficient; the focus should indeed be on ‘lessons learned’ and development of future public service actors … . The problem is that, in SWG meetings, there is self-promotion by both donors and Albanian officials. (D12)\)

In spite of the progress towards the capacity building of the Albanian public administration in recent years, as echoed by advocates of ‘aid effectiveness’ both within the GoA and the donor community, there is still room for improvement of coordination in order to avoid overlapping or contradicting modalities (G2, D9). This resonates with arguments discussed in the literature, which echo the importance of equally deserving variables in aid effectiveness such as the mismatch between the rhetoric and actual capacities and motivations of both donors and recipients (Booth 2010, Blunt et al 2011) (see 2.2.4). Based on the accounts of interviewees as well as a review of the documentation made available through the DTS, a recent mechanism intended to ensure more effective aid coordination is the Fast-Track Initiative of Division of Labour (FTI-DoL) discussed below.

### 7.3.4 Fast-Track Initiative of Division of Labour (FTI-DoL)

In recognition of the issues around donor coordination and their implications for the capacity building of aid recipients, the EU has reportedly taken the lead on the creation of the FTI-DoL. The mechanism is part of efforts to foster a gradual implementation of the ‘Code of Conduct on Complementarity and the Division of Labour in Development Policy’ now included in the EU ‘Operational Framework on Aid Effectiveness’ (EC 2007, 2009). The main aim of the mechanism is to ensure aid impact to increase the coherence of EU assistance, less overlap and transaction costs with a view to achieving better development results through more effective aid (DTS 2010)\footnote{122}.

Thus, a Memorandum of Understanding (MoU) has been entered into by the GoA and the EU in May 2010, whereby both parties commit to FIT DoL arrangements (D2, G5). Under

\footnote{121}{See discussion in Chapter Two (2.2.3)}
\footnote{122}{See 2.2.3 (Chapter 2)}
the MoU, European lead donors have been identified for specific sectors in order ‘to facilitate sector policy dialogue and aid coordination among European donors and with GoA in the framework of the EU pre-accession agenda of Albania’ (EU 2010: 3). Thus, the EU has been identified as lead donor in several segments of the public sector including justice and home affairs, civil registry and infrastructure improvements, whereas other bilateral donors such as ADA, SIDA, SDC and Italy have been respectively identified as lead donors in sectors such as water supply and sanitation; environment and statistics; decentralisation/ regional development and private sector development (D2, G3, G10).

Evidently, even though the mechanism does not specifically provide for a lead donor in public administration reform, it aims at enhancing the capacity of GoA to lead for results-oriented aid management and attracting appropriate donor support in strategic sectors, with a special focus on the EU integration agenda and *acquis*-related sectors (EU 2010). As such, FTI-DoL will integrate within existing SWGs especially in those sectors more relevant to the EU integration agenda (ibid). Specifically, the mechanism will provide for ‘capacity development to the Albanian public administration’s staff to lead the aid effectiveness agenda’ (ibid, 3). Coordination among donors being its key objective, the FTI-DoL also seeks to enhance the capacities of donors themselves to deal with the DoL process and improve the communication between donors’ headquarters and in-country offices, which was highlighted as an emerging issue by some of the interviewees (E4, N5).

As indicated earlier, the launch of the FTI-DoL initiative was happening while fieldwork research was in progress. For purposes of this discussion, it would perhaps be sufficient to argue that the mechanism is an added value to the existing aid coordination mechanisms and as such is embedded in the national Harmonisation Action Plan (EU 2010), which is part of the discussion (below) on the in-country institutions of transfer via aid.

### 7.4 Domestic institutions and global aid mechanisms

The discussion so far focused on two key mechanisms of transfer, the FoA and the DTS, operating in Albania respectively in the late ‘90s and from 2005 to date. The accounts of interviewees and documentary analysis illustrated their role in the capacity building of the GoA. Thus, it was concluded that the DTS has contributed remarkably to improvements in ‘aid effectiveness’ the last 4-5 years (D9, G5). As official sources within the GoA cite, ‘Albania has endorsed the PD on Aid Effectiveness, whereby the Government is
committed to take leadership in making progress against the priority actions identified, taking forward the recommendations of the 2008 Survey on Monitoring of PD and the AAA’ (DSDC 2010). The creation of the DSDC as a national institution responsible for compliance with the implementation of the latter constitutes a highlight event in terms of Albania’s compliance with the global aid institutions and mechanisms 123.

7.4.1 Department of Strategy and Donor Coordination (DSDC)

Similarly, as in the case of the DTS, the accounts of interviewees reveal that the DSDC was set up on the advice of the four donors discussed earlier (the EU, the UNDP, the WB and OSCE) as a structure parallel to the DTS in 2005 (D2). It was created in response to a generally accepted concern about the lack of a coordination strategy among donors and in support of reform processes in Albania, thus coinciding with two major events: a) the political changes of 2005 (DP’s return to power); b) the signing of the PD by the GoA in 2005 (G5). Preceded by earlier efforts dating back to 2001 when the MoEI (under the SP’s rule during 1997-2005) was responsible for coordination of aid-supported capacity building programmes), the DSDC supports the ‘directorates of policy coordination’ in ministries in organizing the sector working groups (SWGs) (D13).

The DSDC is responsible for two core processes related to the IPS: the preparation and monitoring of the 2007-2013 NSDI and coordination of international aid (GoA 2010, OECD 2010). As such, the DSDC led the process of drafting the NSDI in conjunction with the SAA, which defined the requirement for EU accession (G5) 124. The DSDC has also been a key player in drafting and implementation of the IPS through the MDTF (ibid). However, the interviews revealed that it is indeed the WB that has taken the lead in the management of MDTF, providing training to enhance the capacities of ministerial staff for the implementation of the IPS (D13). This resonates with case of the EU IPA-funded programmes, currently managed by the EUD/Albania, an approach which, for a senior government official interviewed, is likely to limit the intended impact on capacity building:

Like the IPS, IPA capitalizes on ‘capacity building’ of aid recipients but, in fact, that depends on the country’ eligibility to manage EU funds …. With the gradual withdrawal of bilateral donors, the accreditation of the GoA focal points [CFCUs/SOPs] by the EU – a lengthy and complex process – is key to their capacity building thus bringing us a step closer to EU standards That would mean, capacity-building for those institutions to manage resources themselves…. (G5)

123 See 2.2.4 (Chapter 2)
124 See 7.3.2.
In addition to supporting the ‘directorates of policy coordination’ in each ministry and organizing SWGs, DSDC is responsible for organizing two annual donor-government round tables (G5, G3). Besides, in line with the OECD ‘aid effectiveness’ agenda, the DSDC, with the close assistance of the DTS, engaged in the coordination of DAC surveys of 2008 or 2011 (see 7.3.1). These surveys ensure compliance with the globally accepted requirements of the original PD (2005) and AAA (2008) as discussed earlier. In compliance with these two mechanisms and most relevant for the context of this study, the DSDC performs its policy coordination and support functions through the HAP, another aid mechanism identified through the research, which is analysed below.

7.4.2 Harmonization Action Plan (HAP)

The application of the Harmonization Action Plan, whose aim is ‘to improve the efficiency and effectiveness of the management of aid’ is not isolated to Albania as HAPs have in fact been launched in a growing number of developing countries in recent years (HAP 2009: 3). However, the HAPs are specific to the circumstances of the countries and depend upon the opportunities and priorities perceived by both governments and donors (ibid). Therefore, as the research revealed, the drafting on HAP for Albania was done through a process of negotiation between the donor community (through the DTS) and GoA (through the DSDC) with the understanding that the commitment of both the donor community and the GoA was essential for its successful implementation (G5, D2).

Irrespective of the specificity of the country circumstances, HAPs are based on its five partnership commitments set forth in the PD (2005) and refined in the AAA (2008) (see Chapter One). To re-iterate, those can be described as ‘typically centered on the principles of supporting country ownership, aligning donor support behind government policy priorities, using government systems where feasible and where possible harmonizing and simplifying donors’ own procedures’ (HAP 2009: 3). More specifically, the five dimensions/principles are based on a whole range of measures that bear on targets and indicators agreed upon in the OECD DAC for their monitoring of the implementation of the PD, AAA and Busan. As it would be beyond the scope of this study to discuss the outcomes of the HAP progress for all the 12 indicators of the PD, the focus of the

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125 In the thesis, references are also made to the Busan Partnership for Effective Development Cooperation based on the results of the DAC survey of 2011. The forum took place in Busan (South Korea) November 2011 when the research was completed and the research results do not necessarily reflect the engagement of the DSDC with this forum/mechanism.

126 These were discussed under 7.3.1
discussion below will be on a select few of those indicators as relevant to the context of this study, i.e. capacity building (indicators 4 and 6)\textsuperscript{127}. The progress of HAP for a third relevant indicator, ‘conditional aid’ (indicator 8), will be part of the discussion in Chapter 8.

\textbf{7.4.3 Progress towards PD and AAA indicators}

Although the PD and AAA provide a sound and helpful analytic framework, establishing areas in which interventions need to be taken globally to improve aid effectiveness, their framework is criticized for being generic (HAP 2009). This is precisely where HAPs come into the picture. As effective and concrete action plans, with a clear set of tasks for both parties involved and a specific timetable, the adoption of HAP has enabled the GoA, as aid recipient, to track the progress of its reform based on the PD and AAA dimensions and indicators (ibid). As mentioned earlier, two specific, relevant capacity building related outcomes of HAP will be discussed here.

A recent DAC report revealed that, in the Albanian case, while progress in dimensions such as ownership, managing for results and mutual accountability has been good, slow progress has been made in terms of alignment and harmonization (OECD 2011). In terms of progress of compliance with specific indicators, the same report assesses that overall:

\begin{quote}
Targets have been met for five out of twelve indicators with applicable targets… [and] since 2007 progress has been made on a further three indicators, one indicator is unchanged and three indicators have seen setbacks… . (ibid, 1)
\end{quote}

Reportedly, Albania has made a marked improvement in its rating for ‘strengthening capacity by coordinated support’ (referred to as’ indicator 4’ in the PD) (HAP 2010). Indicator 4 focuses on ‘the extent to which donor technical assistance is aligned with the national development strategies thus leading to endogenous capacity development’ (OECD 2008: 2-7). Sources within the GoA claim the increase in the coordinated TA can be mainly attributed to joint efforts to meet short and long-term needs for IPS and NSDI implementation (NSDI 2007-2013). Recognizing that there have been improvements in donor policy prioritizing coordination of aid with domestic strategies, which is likely to continue in the next few years, the HAP document itself cites:

\begin{quote}
Implementation of the ‘One UN’ pilot programme ‘Delivering as One’ (DaO) fits well within the overall national context of Albania, supports alignment of aid national priorities and enhances strategic planning [thus] providing recommendations on
\end{quote}

\textsuperscript{127} See fn. 111
reform processes in Albania… . [From 2010 onwards] future aid provided through IPA will be based on sector assessments jointly carried out by the EU and the MoEI (GoA) [and] the ‘Country Strategies’ of bilateral donors such as ADA, SIDA, SDC and WB will also aim to be fully aligned with national priorities of the GoA. ¹ (HAP 2010)

It appears that the progress towards indicator 4 (see above) is best reflected in the re-organization of SWGs, which had primarily focused on information sharing and better coordination of international aid rather than policy coordination and strategy monitoring (HAP 2010). Thus, from 2010 onwards, the DSDC introduced a SWGs meetings calendar to both donors and ministries, according to which the SWGs would meet at least quarterly (D2, G10)¹²⁸. This has contributed to more effective functioning of SWGs as being increasingly important for policy dialogue and development of GoA’s leadership (ibid, 3).

Meaningful progress has also been marked towards indicator 6, strengthening capacity by avoidance of ‘project implementation units’ (‘PIUs’). Thus, certain donors have established specific PIUs as dedicated management units designed to support their development aid programmes; a ‘parallel’ PIU is one which is created at the behest of a donor organisation and operates outside existing country institutional and administrative structures (OECD 2008). In the original DAC Survey Report of 2006 (following the adoption of the PD in 2005), it is asserted that the existence of a large number of parallel PIUs can be attributed to capacity constraints of the GoA to implement capacity-building projects (OECD 2006). However, in a more recent DAC report, it is recognized that ‘while, in the short term, parallel PIUs can play a useful role in establishing good practice and promoting effective project management, in the long run, they tend to undermine national capacity building and... and weaken accountability for development’ (OECD 2008, 2-8). Accounts by several interviewees revealed that the progress made towards this indicator is reflected in the reduction of parallel PIUs from 57 to 24 during 200-2010 (G3, G10).

Overall, the positive impact of the compliance with global aid mechanisms such as the PD and AAA towards the capacity building of the GoA is demonstrated through the shift of its focus from compliance to self-monitoring of the government performance. As a senior DSDC staff member interviewed for this research explained:

I agree that, to date, our efforts to monitor aid programmes have been based on descriptive measurements in line with dimensions and indicators of the OECD rather than us doing rigorous impact assessment …. But, we now engage in [our own] impact assessment as a core policy instrument to ensure compliance with government

¹²⁸ This development was in progress during the fieldwork research (October 2010 – July 2011)
performance objectives… . An example of this would be the development of Ministry Integrated Plans (MIPs)… Meanwhile, to retain capacity, we have recently hired local consultants (previously employed by donors) as ministerial staff and have participated in exchange visits with counterparts in new EU member states learning from their experience of using impact assessment for policy development…. These are just the beginning of partnerships across government units as well as with donor. (G5)

Yet, other interviewees within the Albanian public service claim that while the progress with the capacity-building indicators (as set forth in the PD and HAP) builds into the ‘success story’ of the GoA compliance with the global aid effectiveness agenda and enhancement of government capacities, this does not equate to public administration reform and capacity building to engage in the process in the long run (D2, G10).

7.5 Summary and discussion: From compliance to aid coordination and domestic capacity building

Benefitting from the literature review on aid and its politics (Riddell 1987, White 2006, Easterly 2010), this chapter has looked at the mechanisms and institutions of aid as essential elements of policy transfer (Dolowitz and Marsh 1996). Thus, on the one hand, the discussion has reinforced the presence of somewhat coercive policy transfer especially in crisis situations (that is, the near-complete collapse of the Albanian state during 1997-1998) and the role of international aid organizations as key policy transferors towards reform in developing countries (Common 1998, Dolowitz and Marsh 2000). On the other hand, in line with the discussion in Chapter Two, the findings have highlighted the controversial, conflicting and paradoxical role of international aid. Thus, having identified ‘Friends of Albania’ (FoA) as the first aid mechanism created by donor community (the WB, the EC, the UNDP and the OSCE), the research revealed that it (FoA) was more of an information-sharing exercise among donors rather than a platform for reform dialogue. Its demise, as the findings revealed, was attributed to both clashes amongst donors as well as between the donors and the GoA, whose lack of capacities to coordinate and act as equal partner in the FoA exacerbated the ‘dysfunctionality’ of the mechanism.

The discussion has also brought back the dimensions of the link between international aid and effective development discussed in Chapter Two (Collier 2006, Doucouliagos & Paldam 2007, Booth 2011)129. In line with the global aid effectiveness agenda (the PD of 2005 and the AAA of 2008) promoted by the OECD (Chapter One), this chapter has looked at the implications of the in-country institutions and mechanisms of aid for reform

129 See Chapter Two
and capacity development processes in the Albanian context. Thus, the research identified the Donor Technical Secretariat (DTS) as the current donor mechanism and the Department of Strategy and Donor Coordination (DSDC) the parallel institution within the GoA (Office of the PM) designed to ensure compliance with dimensions of the PD and the AAA. The findings revealed that the DTS and the DSDC have been instrumental in the creation of several sub-mechanisms of aid in Albania, including: a) the IPS, a product of Multi-Donor Trust Fund (administered by the WB) in support of the implementation of the 2007-2013 NSDI and the EU integration process; b) Sector Working Groups (SWGs), donor-bureaucrats forums designed to coordinate aid policy and avoid overlapping aid programmes; c) the Fast-Track Initiative for the Division of Labour (FTI-DoL) and the Harmonization Action Plan (HAP), mechanisms respectively designed to coordinate aid among donors and ensure compliance with the PD and AAA indicators. A summary of these mechanisms is provided in Table 10 (below). While the analysis of OECD reports and GoA publications reveal that Albania’s compliance with global aid effectiveness agenda attests to a ‘best practice’ in terms of the interaction between donors and the GoA and enhancement of government capacity for management of global aid mechanisms, a more detailed analysis of the data suggests otherwise. It suggests they are indeed indicative of prioritization of coordination rather than effectiveness of international aid. The findings also point to the lack of a focus on aid impact assessment in the work of domestic institutions such as the DTS and the DSDC as an example of this.

In light of varying perspectives of EU vs. non-EU donors interviewed, the effectiveness of mechanisms and institutions of transfer is relative and largely depends on the sector. Most relevantly for the context of this research, the findings revealed that the prioritization of aid coordination through the above also had unintended consequences for administrative reform and capacity development (Peters 1997). The SWG on Public Administration was identified as one of the least effective of those mechanisms, which is reflected in the failure to produce a lead donor in administrative reform and establish an SWG on Capacity Building. Besides, prioritization of and compliance with aid mechanisms on the part of the GoA may have contributed to not only superseding but also weakening domestic institutions responsible for administrative reform implementation. Such is the case of the re-alignment of the DoPA and its replacement with the DSDC in 2005 even though the move is considered by some within the GoA as a means towards downsizing and efficiency of the government in the name of NPM (Chapters Three and Five).
Table 10: Summary of key aid institutions and mechanisms

*Source: My own summary based on elite interviews and documentary analysis*

<table>
<thead>
<tr>
<th>NGO</th>
<th>Mission</th>
<th>Areas of Activity</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANTARC</td>
<td>To build leadership through implementation of new, creative and effective strategies and initiative for public service and NGOs in order to ensure sustainable development.</td>
<td>ANTARC activities include training/advisory services as well as capacity building programs in organizational development and management, project management, strategic planning, training of trainers, advocacy and lobbying, communication and team building.</td>
<td>OSCE, USAID, UNDP, SNV, IOM</td>
</tr>
<tr>
<td>ISC</td>
<td>To promote and support the development of Albania, through institutional and human capacity development as well as policy development and implementation.</td>
<td>Under the ‘Rule of Law and Democratic Governance’ cluster, ISC maintains a strong ‘public service reform’ focus through advisory services on: civil service legislation; public service career system management; human resources development and capacity building.</td>
<td>WB, SIGMA, OECD, USAID</td>
</tr>
<tr>
<td>Partners-Albania</td>
<td>Partners-Albania is a member of Partners for Democratic Change International, a partnership of Centers in 20 countries, committed to providing change management training and services for governments/NGOs.</td>
<td>Through advisory services, training/teaching and curriculum development, Partners-Albania assists its clients in areas including institutional capacity building and strengthening, public communications and regulatory frameworks.</td>
<td>USAID, OSCE, OSFA, BTS</td>
</tr>
<tr>
<td>IDRA</td>
<td>As a public policy institute, IDRA promotes the values of freedom and democracy for the Albanian society toward the process of integration into the European Union.</td>
<td>As part of its governance component, IDRA provides technical assistance to public administration on capacity-building as well as citizen participation and decentralization.</td>
<td>USAID</td>
</tr>
<tr>
<td>OSFA</td>
<td>To strengthen democratic participation and promote more transparent governance for accession into the EU and reform processes.</td>
<td>Under the 2010-2011 strategy, ‘Supporting public administration reform, institutional strengthening and rule of law toward EU accession’ is a priority program.</td>
<td>OSI</td>
</tr>
</tbody>
</table>

In essence, this research argues that the same way aid-supported policies and programmes have served to further the EU accession agenda (Chapter Six), institutions and mechanisms of transfer have served to ensure prioritization of the role of international aid by both the GoA and the donor community. Thus, reinforcing arguments discussed in the literature (Common 1998, Peters 2010), the case of Albania may be interpreted as an example of the modification of policy transfer, whereby the engagement of the incumbent political elite both in compliance with the global aid effectiveness agenda and, as will be argued later, implementation of administrative reform based on international doctrines, may have ‘masked’ efforts to use aid to solidify its political position. This would indeed represent an unintended consequence of policy transfer. The intricacies of the process may be explained by other variables including the implications of the politico-administrative context in policy learning as well as politics of EU accession, which will form part of the discussion in Chapter Eight.
Chapter 8. POLICY TRANSFER AND ADMINISTRATIVE REFORM AND CAPACITY BUILDING IN ALBANIA

8.1 Introduction

Respectively answering the first and second research questions, Chapters Six and Seven analysed the role of international aid organizations in the reform and capacity building of public service through their policies/programmes and institutions/mechanisms of transfer. Through an analysis of policies/programmes supported by international aid organizations from early 1990s to 2011, coinciding with the end of the study’s field research, Chapter Six found that most of the former are mainly tied to and follow the trajectory of the political process of EU accession. It was argued that even though those policies and programmes have clearly played a positive role in the separation of politics from administration and improvement of the regulatory frameworks of public service management, they have not necessarily permeated through the HR functions of the public sector at large. Through an examination of aid mechanisms/institutions of transfer, ranging from ‘FoA’ to the current DTS, Chapter Seven concluded that their establishment has mostly contributed to a capacity for management of the global aid effectiveness agenda and, to some extent, to general government capacity building130. However, despite efforts by both donors and GoA to highlight this as a ‘best practice’ thus portraying Albania as a ‘success story’ in terms of compliance with aid coordination and effectiveness mechanisms, it is argued that such a ‘success’ may have unintendedly contributed to superseding or even weakening domestic institutions responsible for administrative reform implementation.

Based on the policy transfer framework (Chapter Three), this chapter will focus on a broader picture, through which the intervening variables and causal mechanisms facilitating the relationship between the identified policy actors, aid organizations and bureaucrats, are examined. Thus, in an effort to answer the third research question, the chapter seeks to provide a greater understanding of the respective roles of those actors and the dynamics of their interaction through a detailed analysis of the national politico-administrative context. This is reinforced by the attempt to analyse such a context through what is considered the explanatory power of the Dolowitz and Marsh’s framework, the policy transfer continuum.

130 FoA (Friend of Albania); DTS (Donor Technical Secretariat), PD (Paris Declaration)
Most significantly, recognizing the fact that most of the policy transfer literature has almost exclusively focused on mature policy environments (Evans 2004), the analysis that follows seeks to explore its application to administrative reform and capacity building in Albania as a developing country. This is precisely seen as the study’s contribution to theory.

The chapter is organized in three sections. The first discusses the national political, institutional and bureaucratic context through which reform policy is transferred from international aid organizations to the Albanian public service. The second section consists of an empirical investigation of facilitators and constraints in the interaction between the key actors through policy learning. To re-iterate the discussion in Chapter Three, one advantage of the chosen theoretical framework lies in its flexibility and adaptability; hence the decision in the normative stage of the research to primarily focus on two sets of actors: international aid organizations and bureaucrats in Albania. However, important lessons were learned during fieldwork stage of the research study. For example, as this chapter will argue, the dynamics of such interaction in the Albanian context cannot be fully understood without bringing into the discussion other actors such as NGOs and international consultants even if those are not the study’s target group.

The Chapter then proceeds with a discussion of administration reform and capacity development for accession as an EU conditionality and argues that the Dolowitz and Marsh (1996) policy transfer spectrum offers a sound tool for analysing and understanding where Albania can be located within it\textsuperscript{131}. The chapter ends with some concluding thoughts on the specificity of the national context and the dynamics of the interaction of the key policy actors in the policy transfer towards administrative reform and capacity building in post-communist Albania.

### 8.2 National Context

#### 8.2.1 Overview

Chapter Three presented a structured analysis of the policy transfer framework from a theoretical perspective. Irrespective of the flexibility that the Dolowitz and Marsh (1996) framework offers, studying and interpreting the dynamics of the policy transfer and, most significantly, the relationship between the actors identified is a complex process. Such

\textsuperscript{131} See Figure 1 (Chapter Three)
complexity lies in the multi-dimensional nature of the mechanisms at play and mitigating factors surrounding the national politico-administrative context (Peters 2010). The specificity of this thesis is that it situates policy transfer within the nexus between ‘international aid’ without which most developing countries, due to socio-economic conditions and shortage of skills, cannot function and ‘administrative capacity building’ as the most common area of aid intervention (Dolowitz and Marsh 2000, Easterly 2003).

Indeed, as discussed in Chapter Three, NPM-type reforms implemented in certain developing countries without regard for the specificity for the national context and conditions have often resembled ‘landscapes dotted with ruined edifices and abandoned skeletal structures’ and even led to failure (Polidano 1998: 285). The latter is often blamed on the political will and commitment (or lack of it) or the politics and techniques of public management but mostly on what has been earlier referred to as ‘incomplete’, ‘inappropriate’ and ‘uninformed’ transfer (Evans and Davies 1999; Flynn 2007). Most dangerously, those reforms often do not lead to meaningful intended transformations in public service delivery (Therkildesen 2001, Larbi 2006, McCourt & Bebbington 2007).

To re-iterate, most relevantly for this research, the rationale for the choice to research a specific sector, administrative reform and capacity building, is based on its significance for the broader aid-supported good governance agenda and more specifically, its implications for the EU accession process. However, the implementation of aid programmes towards reform and good governance in transitional or developing countries, often uninformed by policy-oriented learning, may be difficult (Evans 2009). It requires addressing objectives going beyond the capacity of aid recipients to implement them, a common cause of failure of aid programmes in the same way that inappropriate policy transfer can become a major cause of policy failure (Common 1998, Gasper 2000, Polidano 2001, Knill 2005).

An overarching tendency noticeable in the literature on administrative reform in the post-communist space is to locate countries such as Albania as adopting a ‘hybrid’ model between transition and modernity, referred to as the New Weberian State (Archmann 2009). As discussed in Chapter Three (see 3.4.2), the model borrows from both original NPM theory, encouraging a more explicit separation of policy from operations and public service efficiency through ‘slimming down of the state in favour of greater private and third sector involvement in the policy process’ (Hardiman and MacCárthaigh 2008: 17). It also borrows from Weberianism, which more specifically emphasizes among others the split
between politics and the administration and professionalization of public service (Pollitt and Bouckaert 2004, 2011)\textsuperscript{132}.

Most of the above views are being increasingly challenged today. A recent strand of literature questions the ‘age of reform based on doctrines’ and specifically its applicability in transitional or developing countries suffering from corruption and weak administrative capacity. It is based on the argument that NPM can only work when there is a strong Weberian ethos and trust relations (Manning 2000, Dunleavy 2006b, Hughes 2008, Lagreid 2008). However, to determine if, why and how policy transfer towards administrative reform has actually taken place, we utilize the checklist of Dolowitz and Marsh (1996) and Evans and Davies (2009), which in addition to programmes/policies and institutions/mechanisms of transfer, prescribes a multi-level approach to the study of transfer as well as Pollitt and Bouckaert’s (2004) Rechtstaat vs. public interest distinction in exploring the specificity of the national political and bureaucratic context.

\textbf{8.2.1.1 Politics in Albania: adversity and polarization}

As discussed in Chapter Five, ‘post-communist Albania has been set back by power struggles within the political elite causing polarization of politics by the two main political parties: the DP and the SP’ (Petersen 2010: 12). In the administrative context, the level of politicization and nepotism during the rule of the DP-led, first post-communist government of 1992 was alarming despite commitments to initiate reforms and adopt political pluralism (Loughlin and Bogdani 2007). It was clearly demonstrated in the cleansing of the administration, judiciary and all other state institutions of individuals not only at director positions but also specialists and simple technical staff, perceived to be connected to the previous communist regime (ibid, WB 1998). Thus, irrespective of the establishment of DoPA in 1994, the state institutions and public administration apparatus during those years (1992-1997) identified with the governing party (Elbasani 2009). The phenomenon was reminiscent of the one party-state of the communist and the idea of separating the administration from the ruling majority was rather foreign to the Albanian authorities until the mid-1990s (ibid).

As discussed in Chapter Six, the years that followed the political changes of 1997-1998, after the collapse of pyramid schemes were also difficult (Petersen 2010: 13). They led to

\textsuperscript{132} See discussion in Chapter 3 (3.4.2)
‘an economic collapse, uprisings and freezing of all state institutions’ and brought the SP back to power (ibid). Once in power, the SP began to act in the same way the DP had done five years earlier, ‘cleansing of public servants from the administration due to their political ties with the DP’ (Loughlin and Bogdani 2007: 125-132). Besides the credentials of the SP, which was often seen as mere mutation of the former Communist Party, were questionable (Elbasani 2009).

Despite the first attempts to draft the first CSL in 1998 and a more substantial version of it in 1999, it is debatable whether the process was a voluntary recognition by the GoA of the need to design a regulatory framework around administrative reform or passage of laws to please donors and reap the benefits of assistance (UNDP 2002). This is reflected in findings from previous internal analysis of the GoA, which reveal that over five years after the CSL was approved by the Albanian parliament, the number of public servants subject to protection by the law amounted to a total of 2,090 or 2% of the 110,000 public servants (DoPA 2004). It is corroborated by findings of a more recent report tracking the impact of the enforcement of the CSL over the last decade in post-communist Albania and reinforced by recent EC reports, criticizing the bleak progress in its implementation over the transition:

Only 4000 employees out of a total of 104,000 employees in the whole public sector fall within the category of civil servants, and only 1400 civil servants out of those 4000 employees are centrally managed by DoPA (PAI/ISB 2008: 4). The new civil service law regulating public administration is in place but it is not applied systematically… while the total number of public employees is about 90,000, including 15,000 in local and regional administration, only 5,000 are civil servants [in other words protected by the CSL]’ (EC 2008, 2010)

From a macro-level perspective, the NSSED 2003-2007 drafted with the assistance of the donor community, as discussed in both Chapters Six and Seven, recognized public administration reform as ‘fundamental for the attainment of the mid-term objective of reform’ (GoA 2001, 53)\textsuperscript{133}. However, the NSSED focused broadly on coordination of public policies, transparency, effectiveness and accountability in resources management, public accountability and improvement of government-relations (ibid). It has been argued that ‘administrative reform in Albania is mainly addressed by drafting laws and formally establishing new agencies, thus revealing donor pressure rather than a serious commitment on the part of the GoA’ (Cepiku and Mitilieu 2009: 308).

\textsuperscript{133} National Strategy for Socio-Economic Development
The SP remained in power until the parliamentary elections of 2005, in which the DP won 56 or 140 mandates, with the coalition gaining 80 seats (Salamun and Hallunaj 2008, Petersen 2010). The political change marked yet another wave of cleansing in public administration. Despite the lack of official statistics on politically motivated dismissals, ‘unofficial sources claim that while DP fired approximately 4,500 public employees including 1,300 civil servants, 1700 temporary staff were employed in the central administration’ (Elbasani 2009: 58, Braushi 2008). As will be argued later, even though the ‘phenomenon’ (to be discussed further in 8.4.2) was justified as a way to restructure state institutions, it is believed that the ‘temporary appointees’ were mostly militant activists and political loyalists used by the incumbent political party to gain control of upcoming elections in 2009 (ibid). Thus, in its progress reports, the EU points to the issue of politicization and its impact on the CSL:

The absence of sound accountability mechanisms in public administration increases opportunities for bypassing established procedures. Appointments have continued along party lines in contravention of CSL. Further progress is needed to establish an independent, merit-based and professional civil service (EU 2008: 8).

Eventually, following the elections of 2009 when DP remained in power, ‘the opposition disputing the results of the election boycotted Parliament for most of the following two years’ (Petersen 2010: 13-14). The blockage of the parliament business and the continued political polarization, culminating in demonstrations organized by the opposition in January 2011 at a time when fieldwork research was still in progress, had adverse effects on the amendments to CSL proposed by the SIGMA and the WB in 2008\textsuperscript{134}. With most of those legal amendments requiring a 3/5\textsuperscript{th} qualified majority in Parliament, the political stalemate has had an adverse impact on the overall progress of administrative reform and capacity development, jeopardizing the chances of the country’s EU accession.

It only through the PAR Strategy as part of the most recent NSDI (2007-2013) that a serious effort was made towards public administration reform by streamlining the process of civil service management as a sound tool for public administration reform implementation\textsuperscript{135}. As discussed in Chapter Six and confirmed by an HR director interviewed for this study, PAR provides for ‘periodic rounds of recruitments (twice a year) and ‘career’ positions being extended to public employees at all levels’ (G7). The amendments mark a step forward as the current CSL provides recruitment for individual

\textsuperscript{134} See discussion in Chapter 6 (6.5.2)

\textsuperscript{135} Public Administration Strategy/National Strategy for Development and Integration (See Chapters 6 & 7)
positions at central level only. As of July 2011, when the field research was completed, those amendments were still contingent upon approval by Parliament. Yet, in the view of the EU, an institution which seems to favour reform based on the Rechstaat model and preference for administrative law, PAR is still criticized for not providing a unified system for and a law on the general organization and functioning of public administration\textsuperscript{136}:

> There is a risk of fragmentation between different pieces of legislation, which put in place administrative bodies and establish for each of those individual provisions on issues of responsibility, accountability and competences, without having to follow general rules at state administration level (EC 2010, 15)

8.2.1.2 Institutional context: HRM in the Albanian public sector

To recapitulate on the discussion in Chapters Six, the legal framework for HRM in the Albanian public sector is based on the CSL (1999) policy # 8549 (see Figure 7), developed with the assistance of EU/SIGMA and the WB. The CSL, described as the ‘basic law for public employees who are not civil servants’, addressed the key objective of public administration reform through the ‘establishment of a professional and sustainable civil service’ (EC 2010: 15, GoA 2004: 67). Most significantly, it set milestones for the establishment of a civil service based on principles of professionalism, political impartiality and equal chances for entering the public service, thus mandating transparent, competitive recruitment and selection procedures and establishing a new salary structure for all civil servants (IPA 2008). It is maintained that it certainly marked a major improvement compared to earlier versions of the law which excluded certain segments of public administration such as justice bodies and armed forces (Cani 2009)\textsuperscript{137}. An HR Manager interviewed for this research summarized the key provisions of the law as:

> primarily regulating recruitment and for individual positions, lateral transfers and promotions of civil service positions thus giving priority to internal civil service employees mainly at ministerial, municipal and regional levels including the Council of Ministers, the Parliament, the President’s Office as well as constitutional bodies and independent agencies… as well as defining selection procedures, job descriptions and performance appraisal processes. (G7)

The recruitment process was described by another department director as follows:

> After advertising vacancies reported by a given institution, DAP does the screening and pre-selection of candidates and organizes written and verbal tests. The selection committee is composed of 5 individuals: a DAP representative, 2 from the hiring

\textsuperscript{136} See Pollitt and Bouckaert (2004) interpretation of Rechstaat vs. public interest models (Chapter 3)

\textsuperscript{137} Chapter Six discussed the efforts to introduce the first CSL dating as far back as 1996 (see 6.3.1)
institution and 2 independent professionals. At the end of the process, 3 best candidates are selected and then the decision on which of those candidates is to be hired is up to the discretion of a department director in the hiring institution138. (G9)

However, the enforcement of the CSL described by many interviewees as ‘defining the Albanian civil service as a position-based system with some career elements’ (G5, D6, N1), is considered by some in the donor community as superficial (D1, D7). A particular donor officer interviewed, referred to the whole process of recruitment as a ‘show’ (D6). It has been related to the politicization of recruitment practices in recent years, discouraging the promotion of civil servants and, in general, the meritocracy of the whole system:

The [existing] position-based system is subject to higher risks of politically motivated staff turn-over than in a fully career-based system. [It] has provided for the possibility to make civil servants redundant as a result of restructuring of ministries by incoming new ministers. (EC 2010)

As discussed earlier (Chapters Five and Six), the DoPA is the central agency with the mandate to develop HRM policies for the central administration whereas local HR ‘directorates’ are responsible for the local level such as municipalities (G9). The CSC, on the other hand, as an independent institution, rather than an executive authority reporting to the Parliament, is responsible for two processes: i) resolving appeals of civil servants against decisions violating their rights (e.g. termination, staff mobility/transfer due to restructuring, etc.), ii) tracking the enforcement of the CSL in every institution (G11). However, as confirmed by a senior public servant, there is a mixed record of the performance on the part of the CSC in those two functions:

In my view, KSHC139 seems to perform well in only one of its two competencies, that is examining complaints from civil service employees, but not necessarily when it comes to monitoring the enforcement of the CSL, which, under the scope of the CSL, is indeed the core competency of the Commission (G9)

Reportedly, during 1999-2005, DoPA’s legitimacy and power had naturally increased over time, as it was perceived as the driving force in the design and implementation of PAR (PAI/ISB 2008). In particular, based on what was learned from the interviews, the role of DoPA was significantly strengthened because of two main factors. The first was the adoption of CSL (policy # 8549) itself, which granted the Department executive powers in the management of the civil service mainly at the central level140 (G9, N1). The second was the expansion of its role to include institutional organization and restructuring,

138 Departamenti i Administratës Publike (Albanian)
139 Komisioni i Shërbimit Civil (Albanian)
140 “On the Status of Civil Servants”
compensation reform as well as training of public servants reflected through the creation of TIPA in 2000 under DoPA’s jurisdiction (G2, G9). In line with Pollitt and Bouackaert’s (2004, 2011) discussion on the significance of the positioning of the public sector HR function, a recent review of the implementation of the CSL since it came into effect in 1999 reveals that:

DoPA increasing legitimacy and power [until 2005], as the driving force in the design and implementation of PAR, can be attributed to its jurisdiction under the PM’s Office [in order] to face effectively the challenges of a complex reform and guarantee a uniform law implementation in the central civil service, serving as well as a best practice for the other independent institutions. (PAI/ISB 2008, 39)

It is believed that the political turnover of 2005, reminiscent of the theoretical arguments around policy succession, did not benefit the public service reform at large (Elbasani 2009, Hill 2009). Instead of acting on some of proposals of the previous government to improve and expand the CSL, the incoming DP government issued a decree moving DoPA from the PM’s Office to the Ministry of Interior (ibid).

As the above-referenced report cites:

The move of DoPA from Office of the PM to MoI (reporting to the latter), has contributed to weakening the effective authority of DoPA…. Public administration is of course, a cross-cutting and disciplinary reform and international best practices show that, in most cases the location of such a unit under the authority of the PM is advisable for the entire phase of the design and implementation of reform in order to provide institutions with the necessary authority needed for overcoming the narrow sectorial interests and inertia (PAI/ISB 2008, 39)

However, the views of the interviewees on the move vary significantly. As discussed earlier, the move is seen by most public servants interviewed as an effort towards efficiency rather than to reduce the role of DoPA (G5, G7, G9). Nonetheless, sources within the GoA believe that the decision has put a strain on the relationship between DoPA and the PM’s Office as the latter clearly seems to support broader public sector reform rather than efforts of the DoPA towards reforming the civil service per se, which, as discussed earlier (Chapters Six and Seven) is perceived as a tendency of the current aid programmes:

On the one hand, in 2005, the Parliament rejected DoPA’s recommendations for amendments to the current civil service law; on the other, as of 2007, it received full support from the Minister of Interior to draft the PAR strategy (G9)

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141 See also 6.3.2
Interestingly, an interviewee from the NGO community questions those assumptions. According to her, the intention of such a move is neither to reduce costs, nor to focus on a broader public administration reform as sources within the government claim (G7, G5), but rather:

as an effort on the part of the current government to justify politically motivated dismissals through a minimized role of the central public administration agency (DoPA), which unfortunately a position-based civil service law also allows for (N6)

Streamlining public administration by creating small but effective state institutions being the one of the key characteristics of the NPM-type reforms (see Chapter 3) and the ‘motto’ of the new GoA policy (Selenica 2005), the views of stakeholders on the ‘new’ role of DoPA in the public sector HRM since 2005 were often contradictory. For example, while sources within the government claimed that the DoPA ‘is increasingly perceived as a ‘watchdog’ of the civil service law implementation and natural ally of the civil servants’ (G5, PAI/ISB 2008), other interviewees criticized the role of DoPA, and more precisely its downgrade from the PM’s Office to the Ministry of Interior, commenting that:

The mere fact that a Department within a Ministry [of Interior] is supposed to provide instructions to other [line] Ministries on HRM processes including recruitment, transfer and promotion practices, which is reality does not happen as DoPA’s directions are often ignored by Ministers themselves, goes to show that DoPA does really have any authority at all (G4)

On balance of findings from often contradictory accounts of interviewees, which may be interpreted as a finding in itself, it can be argued that the adverse and increasingly polarized political environment in Albania in recent years, which is demonstrated in the blockage of parliament business, has significantly affected the progress of public service reform. Amendments to the CSL proposed under the PAR Strategy and developed with the close assistance of the SIGMA and the WB, which require a 3/5 majority approval (see also 8.2.2.1), are a case in point. The downgrade of DoPA and the phenomenon of ‘temporary contracts’ (to be discussed in the section below), justified as measures towards government efficiency, contribute to the argument of this thesis that the incumbent governing elite may have used those measures, prescribed under NPM or, as the literature claims, NWS-type reforms (Lynn 2008, Archmann 2009), to solidify and further their political position in the country. This is exemplified though the case of temporary contracts which forms part of the discussion that follows.
8.2.2 Transfer as modified by context

The growing attention in the literature on public management reforms in aid recipient countries as well as evolution of aid recipient countries towards public service reform ‘draws on changes in terms of the strategy of international aid organizations’ (Cepiku and Mititeu 2009: 306). However, as discussed in Chapter Three, a key characteristic of the policy transfer literature, particularly in the case of developing countries, is that it explores the significance of the ‘national context’ in the process. Thus, a strand of the policy transfer literature highlights the internal dynamics of an individual nation’s political system which ‘may be capable of modifying transferred policies and programmes’ (Common 1998: 71).

Such theoretical underpinnings bear relevance to the case of administrative reform in Albania and are exemplified through accounts of interviewees involved with evaluation of the progress of the CSL implementation over the years and the role of politics in the process. Their analysis of the ‘modifying’ role of the ‘domestic politics’ as aid programmes have been making efforts to transfer policy towards reform processes, are best reflected in the excerpt below:

Albanian politics have circumvented aid efforts and the implementation of the CSL as its key output by accepting it formally and then ‘working around’ its provisions to fit their political interests by either: offering ‘blanket’ civil servant status’ to all public employees or creating ‘pools of civil servants (to retain political loyalists in the administration as was the case of the SP during 1999-’05); or b) by introducing ‘temporary appointments’ and creating new independent government agencies (as a way to exert political influence in public service appointments or in other cases, to put political militants in charge of key agencies in the administration as has been the case of the DP from 2005 onwards) (N1).

As discussed in Chapters Three, while policy transfer analysis only goes a certain way in explaining the spread of internationalization of reform doctrines in developing countries, other elements of the national context besides domestic politics, such as administrative contexts, culture and country size, become ‘facilitators’ or ‘constraints’ in the process (Heald 1992, Dolowitz and Marsh 1996, Common 1998). While all these elements are naturally interconnected, the research also builds on the premise that policy learning can occur without transfer being the outcome. In line with the Dolowitz and Marsh (2000) arguments on the presence of facilitators and constraints of transfer, in the Albanian context, while the domestic politics can be interpreted as a ‘constraint’, other elements such as societal/cultural norms can be regarded as ‘facilitators’. Thus, a recent quantitative

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Civil Service Law (see Chapter 6)
evaluation of the impact of the CSL on the Albanian public administration has found that since the political changes of 2005, replacements in the public service have affected: top civil service levels (Secretaries General) at 95%; technical levels (e.g. specialists, etc) at 50% and administrative levels (e.g. clerks) at 15%. However, one interviewee representing a think-tank as part of the consortium conducting the evaluation offered a refreshing qualitative scenario of the changes. He noted:

Nonetheless, [political appointments] are not the case for the entire public sector. For example, recruitment and changes in the personnel of public hospitals and the police are considered to be almost free from politicizing. Besides, the conservative and small nature of the Albanian society, ways of life and family-based culture reflect themselves in the ‘culture of recruitment’ in public institutions thus abating and perhaps even protecting public service from the adverse influence of politics in administration even though this may be at the cost of public service efficiency. (N1)

However, rather than on ‘politics’ broadly, the views of interviewees converge on the existence of problematic or even dysfunctional HRM practices precisely because of the intervention of politics. The result, according to some donor representatives and public servants interviewed, has led to distrust in equal opportunities to get into the public service and the general perception of ‘a public service reform doomed to fail irrespective of any donor support’(D1, D7). Besides, the socio-economic conditions of the country coupled with shortages in the labour markets also contribute to political patronage, which continues to prevail in the Albanian public administration today (D10, E4, G9). In this regard, a mid-level HR Manager of a public agency made the following observation:

There is a lot pressure from politics on us [HR officers] to select politically-inclined candidates for public service positions, which very dangerously has even led to a prevalent mentality among candidates that partisanship is necessary to get into the public service… . And that clearly leads to lack of public faith in the system… . Consequently, as the public HR office(s) do not have any real power in terms of recruitment, other areas of our work such as performance measurement becomes difficult too because incompetence is often protected by politics and the very few competent employees are overworked… . Therefore, the entire process of HRM ranging from aligning employee qualifications with position requirements, to conducting proper performance appraisals, to efforts to launch organizational development initiatives are all very difficult, if not impossible (G1).

More precisely, the questionable political will to support the HRM function in practice, irrespective of the formal acceptance of support for the implementation of administrative reform as declared in government publications (NSDI 2009-2013, EA 2009-2010), ranks as

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143 The evaluation is carried our by a consortium (Public Administration Institute/Albanian Institute for Contemporary Studies) contracted by the WB Office/Albania. For a more detailed discussion on the SGs as senior civil service position, see discussion in Chapter 6.

144 Official sources indicate that unemployment rate in Albania as of 2010 was 13.5%.
Source: Albanian Institute of Statistics (INSTAT)
one of the main reason for the reform failure (G11, N6). Indeed, the possibility of policy failure, due to contextual variables, is also highlighted in the policy transfer literature and in fact, the ability to study that possibility is considered as an advantage in the use of the policy transfer framework in research (Bennett 1992b, Dolowitz and Marsh 1998, Bovens and ‘tHart 1998):

Political resistance comes out of a fear that a proper HR function will expose the current administration to “questionable” hiring of candidates with “questionable” qualifications. Hence, without the right political will from the leadership, any good HR initiative in the Albanian public administration is destined to fail. (G1)

Drawing on the discussion on the features of international reform doctrines, the discussion below will provide specific examples of the intervening role of domestic politics in the Albanian institutional/administrative context

8.2.3 Temporary contracts: political appointments or an NPM measure?

The ‘phenomenon’ of ‘temporary contracts’ was, perhaps, the most recurring theme during the interviews and focus groups conducted (D1, G6, G4, E4, B1). Introduced in early 2000 as a recruitment mechanism for exceptional cases, they however became an ‘inflationary phenomenon, especially in 2006, and followed by a more restrictive use in 2007’ (PAI/ISB 2009: 4). The accounts of interviewees revealed that it is through temporary contracts that many individuals affiliated with political parties (mostly DP) have entered the public administration system (D1). This is also substantiated by recent EC reports, which cite:

most staff recruited on a temporary basis tend to be confirmed subsequently in open competitions…. [raising concerns about] civil service continuing to suffer from politicization, in particular as regards appointments…. These practices undermine the procedures and principles under the CSL for merit-based appointments and lower the overall capacity of public administration (EC 2010, 15)

A further interpretation of the accounts of interviewees, mainly from the donor community and NGOs, reveals that politics, especially in the last 5-6 years, have played a role in their emergence given loopholes in the CSL. Their extensive use by the ruling political party is a clear sign of ongoing political patronage and intervention of politics in public sector HRM practices such as recruitment (D6, G4, N6)146. Yet, some public servants interviewed offered slightly different perspectives on the phenomenon. For them, ‘temporary contracts’ have

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145 See discussion on NPM characteristics (Pollitt 2003), Chapter 3
146 The current Albanian civil service law provides for ‘temporary contracts’ as ‘an exception to the rule of open competition (CSL 1999)
emerged as a result of their frustration with the complex and lengthy formal recruitment procedures set forth in the current CSL (G7, G9, D6).

The record of the impact of international aid organisations providing assistance on this front is mixed. On the one hand, a donor officer involved in a recent intervention assisting the PM’s Office in dealing with the issue (temporary contracts) praised the success of the initiative but without providing details of a quantitative scenario of its progress:

> Our project has found ways of how to deal with the challenge (i.e. ‘temporary contracts’) by assisting the PM’s Office in drafting an executive order to regularize and limit the number of ‘temporary contracts’ to no more than 2.5% in each line ministry with payment of such contracts being stopped if the number is exceeded. The response from the government has been satisfactory so far and the number of temporary contracts is decreasing on a month-by-month basis (D1, D6)

On the other hand, the EC’s assessment of the progress of the initiative is controversial:

> Implementation of Prime Ministerial Order of October 2010 setting a maximum limit of 2.5% temporary appointments in the civil service remains poor [or, at least] evidence of its proper implementation still has to be provided. (EC 2011)

Interestingly, a CSC executive offers a slightly different perspective on the progress of this specific effort, pointing to an issue with its legitimacy:

> While both donors [EU and GIZ]…. and government agencies [DoPA] are proudly commenting on their cooperation with regard to the Executive Order [October 2010] limiting the number of temporary contracts to 2.5%, the irony is that both have missed on the fact the CSL stipulates that all competitions should be open [so, de facto, there should be no temporary contracts at all] (G11)

Yet, the adoption of the above executive order is considered by some as modest progress in terms of the impact of legislation on public service reform in Albania. As discussed earlier (Chapter Six), amendments to the current CSL and the introduction of important legislative acts such as the law on general administrative procedures, the law on functioning of public administration and the law on administrative courts recent proposed by SIGMA, require a 3/5th approval rate by Parliament (D6, G7, G9). Reflecting a deeply polarized political culture, the impasse following the disputed elections of 2009, leading to the opposition’s boycott and obstruction of parliamentary business, coupled with high staff turnover and frequent re-structuring in the public administration are the root causes why

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147 See also discussion in Chapter 6 (6.5.2 EU/GIZ and SIGMA: Current drivers of aid-supported public service reform)
148 CSC (Civil Service Commission) was discussed in detail in both Chapter 6 (6.3.2) and earlier in this Chapter (8.2.2.2)
the implementation of existing laws and adoption of new ones remains weak (D6, D1, D13). As the most recent EC reports cite:

The necessary amendments to the civil service law need to be undertaken in a cooperative environment with involvement of all stakeholders, which require political will and political consensus on the need for and scope of public administration reform, as the law requires a qualified majority in parliament… [Still], adoption of relevant legislation is pending and contingent on overcoming the persistent political stalemate… (EC 2010, 2011)

The introduction of temporary contracts and drafting of amendments surrounding the status and mobility of civil servants are neither new nor isolated to Albania. In fact, they resonate with a global tendency towards structural changes in civil service management in the late 1990s encouraging open promotions and limited-term contracts across the public service, which indicates a shift along a continuum from career to position-based civil service systems (Hardiman & MacCárthaigh 2008). However, in the Albanian case, while this is indicative of an orientation towards reform based on NPM principles, it rather conflicts with the Weberian model and the Rechtsstaat culture based on preference for administrative laws (Politt and Bouckaert 2004, 2011) promoted by the EU, into which Albania aspires to accede.

Most significantly, in line with Common’s (1998) arguments, they provide examples of how the national political and bureaucratic environment can modify reform policy transferred by international aid agencies. Indeed, as Politt and Bouckaert suggest (2011: 3), ‘the extent to which governments are receptive to international ideas, and the actual translation of reform into practice, is shaped by environmental factors including the politico-administrative culture and style of governance of their state or country’. More specifically, in the Albanian context, the impact of the political stalemate on the approval of legal amendments surrounding civil service management, discussed above, may be taken to argue that an adverse and polarized political environment such as the Albanian case tends not only to modify but, most dangerously, even block the transfer process.

As evidence from Albania may suggest, the introduction of NPM or more precisely NWS-based reforms meant to lead to a shift in the value orientation of public administration can be indicative of the increased complexities in the implementation of reform, especially in developing and transitional countries (Hood et al. 1999, Hardiman 2008). As discussed earlier (see 8.2.1), administrative reforms based on doctrines and their consequences for

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149 See 6.5.2 in Chapter 6
bureaucracies are increasingly questioned (Christensen and Legreid 2007). More specifically, their adoption in the realities of countries such as Albania, where they have arguably served the political ends of incumbent elites, indicate a sharp shift in reform trajectories in developing and transitional countries. In line with Pollitt and Bouckaert’s (2004) arguments (see 3.4.4), the interpretation of this study is that these dynamics speak to the unintended consequence of policy transfer through international aid in those countries.

8.2.4 Internally vs. externally motivated reform and political culture

Voluntary, or internally motivated, processes occupy a considerable part of policy transfer analysis literature, focusing on policy learning by rational actors predominantly in developed countries (Rose 1991; Ladi 2005; Dunlop 2009). While the scope of inquiry in analyzing voluntary transfer includes forms ranging from copying to emulation, its occurrence is rarely studied in developing country contexts (Rose 2005, Evans 2009)\(^{150}\). Yet, the policy transfer continuum designed by Dolowitz and Marsh (1996), which alerts us to the presence of voluntary processes in any context where transfer occurs, is assumed to aid our understanding of where a case stands in the continuum\(^ {151}\). Therefore, discussion that follows examines indigenous policy learning in the research context.

The discussion in Chapter 6 (see 6.4.2 and 6.5.2) revealed that TIPA is the domestic agency responsible for the training of public servants (G9)\(^ {152}\). Despite the decentralization of other HRM practices including recruitment, training as such figures as a highly centralized function within the Albanian public administration (G6, D14). Reportedly, TIPA has its own curricula and trainers (G2, G7). However, the research has found evidence of substantial aid from donors including the UNDP, the EU and the WB supporting the agency with the delivery of training programmes and strategy development (G13, D1, D7, N1). This may be taken to question claims by government sources, describing TIPA as ‘a truly indigenous capacity-building structure’ within the organization of the GoA (G2, G7, G9). Yet, as noted by a capacity building consultant, the capacity of the organization and its scope of activities are still limited:

Even though TIPA as the single national agency responsible for the training of public servants makes efforts to mix local and foreign trainers in their activities, it still has

\(^{150}\) See 3.3.2.1

\(^{151}\) Figure 1

\(^{152}\) TIPA is set up based on a decree of the Council of Ministers in 2000 and is mandated by/under the jurisdiction of the Department of Public Administration (DoPA) as the central agency for the overall administrative capacity-building strategy on behalf of the GoA (see Chapter Six)
weak capacities and infrastructure; its curricula include topics that support implementation of the Albanian legislature rather than broader topics affecting public administration, which limits its role in capacity building. (D7)

While the analysis of policies and programmes as well as institutions and mechanisms of transfer attested to the externally motivated nature of administrative reform and capacity building, there seem to exist few voluntary initiatives where the GoA engages in efforts to ‘strengthen the cooperation in the fields of public administration in the SEE’ (DSDC 2010: 19)\(^{153}\). Thus, on the regional level, an example would be its participation in the initiative for the Regional School of Public Administration (ReSPA), supported by the EU Directorate for Enlargement (G9). In addition, the accounts of interviewees from the GoA revealed plans for internal capacity building initiatives, such as the Albanian School of Public Administration, but the lack of clear evidence on the progress of such initiatives and their prospects may be taken to suggest that those initiatives are isolated and vague, still ‘on paper’ and still dependent on donor funding:

The School of Public Administration represents the most recent effort of the government to deal with training of public servants…. Currently, training as facilitated by ITAP (rather than HR Office) and is too general …. We want to make it [training] mandatory and part of the performance appraisal process for the public servants…. The MoE and the Ministry of Education have been tasked with looking at different models and the development of curricula…. We are looking at ENA\(^{154}\) as the most appropriate model [and] UNDP has indicated its willingness to fund the initiative while other infrastructure and operational challenges are to be considered. The School is to be set up by 2013 (G1, G9, N1)

Indeed, as argued in the literature, Albania figures as one of those post-communist cases where the pressure and impetus for reform has come mostly from donor organizations wanting to impose their concept of ‘good governance’ rather than from its government lacking domestic ownership of the process (Peters 1998, Verheijen 2003). This is backed up by empirical findings discussed in Chapters Six and Seven\(^{155}\). Overall, even though international aid has helped both to enhance the administrative capacities of the GoA thus abating the intervention of politics in the public administration, a less benign interpretation of the findings would suggest that the key issue is that reform in Albania:

\(^{153}\) I refer to the discussion the WB and the EU/OECD SIGMA assistance through the WB PAR (1999-2005), CARDS (2001-2006) and IPA (2007 onwards) supporting drafting/reviewing of the legislation on civil service management and overall public administration in Albania and creation of TIPA (Chapter Six) as well as the assistance provided by the donor community in drafting national development strategies (NSSED and NSDI) and establishment of the Multi Donor Trust Fund for the implementation of the GoA Integrated Planning System administered by the WB (Chapter Seven)

\(^{154}\) ENA – the French School of Public Administration

\(^{155}\) See fn 152
is largely (if not exclusively) supervised by external actors and constantly subject to
donor pressure…. (N1, D7, D13)

However, the questioned genuineness of the commitment to public administration reform
by current and all post-communism political actors appears to be the greatest undermining
factor and another key reason for the failure of aid-supported administrative reform in
Albania in the last 10-15 years (G11). Overall, based on accounts of various interviewees,
an adverse and polarized political culture coupled with the externally motivated nature of
administrative reform and capacity building, are the main causes for its (perceived) failure
in the Albanian context. This is demonstrated in the persistent patterns of political
patronage and, more concretely, failure to implement the CSL as a case in point:

To date, efforts to implement the CSL have been unsuccessful due to a lack of
consensus and a political will by the two political parties. The key inhibitor of the public
service reform in Albania is the lack of meritocracy in the administration, where often
clan-based appointments seen as reward for contributions to political campaigns apply
rather than merit-based practices which would be a sound a technical tool to
implement reform (a typical reform enabler) (E4)

It may be concluded from this discussion that the externally motivated nature of
administrative reform speaks to the lack of a voluntary policy transfer in the Albanian
context. Reinforcing the arguments that the probability of successful policy transfer in
mature political environments and with stable public administration systems is higher
compared to developing countries, where it can only go a certain way (Common 1998,
Evans 2004), the case of administrative reform in Albania may suggest that the political
culture of the national context can not only modify but even block the transfer process.
Besides, the multi-level approach suggested by Dolowitz and Marsh (1996) also recognizes
the salience of the administrative culture in the transfer process. While Pollitt and
Bouckaert’s (2004) distinction of Rechtstaat vs public interest administrative cultures is helpful
in explaining the orientation of the Albania case towards the former, the argument of this
research is that, in developing country contexts, administrative culture should be not
studied merely in terms of the organisational culture and structures (Levitt and Marsh 1998;
Schedler and Proeller 2007, Painter and Peters 2010, Stewart 2011), which goes beyond the
above distinction ¹⁵⁶. Instead, building on the argument that ‘the proof of policy transfer lies
in its implementation’ (Evan 2009), the attention should focus on the administrative culture
as reflected in the interaction between donors and bureaucrats. The facilitators and

¹⁵⁶ In interpreting the administrative culture in Albania as a Rechtstaat case, I refer to the preference towards
the administrative law (CSL) and recent tendency to orient training of public servants towards the ENA-type
model promoted by the EU (see also fn 154)
constraints of such interaction and how they affect policy learning processes (Dolowitz and Marsh 2000, James and Lodge 2003, Benson and Jordan 2011) are part of the discussion that follows, which intends to bring to light potential variables characterizing the Albanian context, where public servants engage in aid-supported policy learning.

8.3 Donors and bureaucrats in interaction through policy learning: constraints and facilitators

8.3.1 Overview

To revisit the discussion in Chapter Three, the two groups of actors which in this research have been selected as key agents of policy transfer are: a) international aid organizations, otherwise referred to as ‘donors’, and b) bureaucrats (or public servants) (Dolowitz and Marsh 2000, Evans 2004, Benson and Jordan 2011). The discussion focused on the definition and role of each of the two groups in general, theoretical terms. It was also argued that, despite the fact that the above two constitute the major two groups studied under the scope of this research, the ‘policy community’ (as termed in the policy transfer literature) including other actors such as think-tanks, NGOs and international consultants can be ‘catalysts’ of policy transfer (Stone 1996, Peters and van Nispen 1998). Hence, in the discussion that follows, the focus is on what is agreed both in academic debates and development practice: the advantage of the policy transfer framework which lies in its ability to highlight the relationship between policy actors and the dynamics of that relationship (James and Lodge 2011). Hence, the interaction between the two identified key actors, donors and Albanian bureaucrats as aid recipients in the transfer process is analysed through training as part of policy learning (Chapter Three). Besides, bringing back the theoretical arguments on aid and capacity building (Chapter Two) and the discussions in the previous empirical Chapters (Six and Seven), the findings presented here are grouped together based on a number of thematic areas as they emerged through the field research.

This section proceeds in four parts. Based on the accounts of interviewees and focus group participants, the first discusses issues around absorption of aid by recipients. The second focuses on the communication between donors and Albanian bureaucrats. It will argue that, in the research context, the existence of (informal) networks is also related to the (perceived) failure or non-transfer towards policy learning (Dolowitz and Marsh 2000, Bovens and ‘t Hart 1998). The discussion that follows (‘Donor organization and politics’) takes us back to technical and operational aspects of aid and its transparency discussed in
the literature (Riddell 1987, Lancaster 2007, Easterly 2010). On the assumption that, in our research context, the interaction of aid and bureaucrats in the policy transfer can be best understood if the gamut of policy actors is not exclusively confined to donors and bureaucrats, the last part focuses on other actors such as NGOs and consultants in policy transfer.\(^{157}\)

### 8.3.2 Aid absorption

Throughout this thesis, it has been emphasized that the research approach adopted is to describe the process through which international aid organizations influence the capacity building of public service, rather than outcomes, which is otherwise carried out by donors via their outcome-based tools and framework such as M&E.\(^{158}\) Therefore, rather than development of measurements, the focus has been on the interpretation of qualitative scenarios based on the accounts of interviewees, through which 'aid absorption by recipients' appeared as a recurring theme.

Overall, with regard to the broader picture of administrative reform, a senior EU officer interviewed expressed frustration with its progress, hinting at a series of limitations to aid absorption, which led to a mixed record of EU’s technical assistance in Albania. She noted:

> The GoA has received a lot of foreign aid. In our estimation, the EU and other donors have allocated an amount of €5m to PAR in the last 10-15 years and the quality of TA has been generally good…. However, the progress of administrative reform has been rather slow…. To give an example, the existing CSL as adopted in 1999 has barely evolved ever since it came into effect…. Even though, we still think reform in Albania is gradually happening, it requires a lot of ‘pushing’ as there no adequate support from the government and implementation of our recommendations is the key obstacle to the process. Difficulties in obtaining data and statistics in the progress of recent initiatives towards PAR and often weak reporting/updates and lack of follow-up on the part of DoPA are indeed problematic…. (D1)

Institutional set-ups or, more precisely, re-structuring of key units within the GoA responsible for administrative reform implementation) such as the move of the DoPA from a department reporting directly to the PM’s Office to one, which, as of 2005, reports the MoI (see also 6.3.2, 7.3.1 and 8.2.2.2) seem to have exacerbated the poor relationship between the EU as a perceived lead donor in administrative reform and GoA as aid

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\(^{157}\) While ‘NGOs’ and ‘consultants’ are part of the original Dolowitz and Marsh (1996) framework (Fig. 1), studying their role in policy transfer is not the primary objective of this research.

\(^{158}\) Monitoring and Evaluation
recipient (D1). The outputs of the EU’s assistance toward reform have been formally accepted while its implementation has clearly not occurred. This is demonstrated in difficulties in assessing the impact of the (EU) aid on administrative reform:

The ‘façade’ implementation [by the GoA] of the EU recommendations via ‘Strengthening the Department of Public Administration’ Project or more precisely, formal commitment to enforce those on paper but failure to deliver on them in reality is a great concern and source of frustration for us…’ (D1)

Reflecting the ongoing issue of politicization of public administration (Chapter Six), ‘high staff turnover’ due to political changes, especially at the central level, appears to be the greatest impediment to the impact of donor-supported programmes both in terms of general capacity-building initiatives as well as those tailored to administrative reform (D1, D8, D9). It has led to a mixed record on the sustainability of training, as a specific form of capacity building and ‘knowledge transfer from international organizations to the Albanian public servants’ (E3, N4).

Besides, with regards to ‘aid absorption’ of policy learning through training, one category in particular, specifically ‘mentality and attitudes’ appears to be a frequently mentioned ‘constraint’ in the transfer process as discussed in policy transfer theory (Dolowitz and Marsh 2000). As best put by one donor officer, changing attitudes and mentality is one of the hardest tasks during the implementation of capacity building projects (D3). This is also substantiated by accounts of other actors involved in the delivery of training programmes:

[In addition to the differences between the mentality of ministries, which see aid as ‘hard investments’ and donors seeing it as investment plus capacity building], there is limited understanding (by recipients) of the benefits of the latter for growth on individual, organizational and country levels. Additional obstacles for aid absorption from Albanian public servants include lack of career perspectives, responsibilities not being linked with capacities, uncertainty for their position and start from a low base level due to poor recruitment practices (D9, D14)

Perhaps, a “know-it-all” attitude of bureaucrats and lack of understanding of the need to upgrade skills is what mostly undermines absorption. Besides, a ‘one-city state’ mentality pervasive in the capital (Tirana) where most of training programmes takes place while remote areas (communes/municipalities) are in greater need of intervention is part of the problem (D4, D8, D12)

The lack of an ‘M&E’ culture among beneficiaries reflected in the bureaucrats’ mentality and perceptions of the M&E as something ‘less important’ rather than an effective tool to measure the impact of training is an issue. (N1, E3)

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159 See discussion in Chapters Five and Six
Learning is not seen as a continuing process… [and] probably not understood and appreciated in the local context [which shows in] the tendency of the bureaucrats to demonstrate conformist rather than proactive attitudes about their own capacity building needs [and] passive participation [in training], where trainers are not seen as facilitators but rather as “doers” (N4)

Indeed, recognizing the importance of ‘active participation’ of bureaucrats as key to aid absorption, one specific donor organization, namely the EU Delegation to Albania, has reportedly intensified its efforts to zero in on the above as a potential ‘constraint’ or ‘facilitator’ of the knowledge transfer for long-term capacity building despite challenges:

The sustainability of TA\textsuperscript{160} to an extent where public servants are active in the implementation of our efforts for both our immediate and long-term objectives is increasingly a key concern for us [EU]. For example, through our current [statistical capacity-building] project assisting INSTAT, our training aims not only improvement of performance of functions [i.e. data collection and management] but also building capacity to handle future challenges such as project and funds management. In this regard, the changes in the capacities of the organization over the years are immense even though this has obviously created additional workload for the EUD staff. (D11)

However, the extent to which aid is absorbed can be limited by other factors including the competence of trainees and questionable practices on the part of the public organizations which nominate bureaucrats to participate in aid-supported training programmes:

Sometimes, the wrong people are sent to the training or if they are competent, they have no power in their organization they come from…. (D14)

or, as a former public servant, currently employed in a donor-funded project, observes:

absorption is also hampered by the fact that sometimes public servants sent to the training programmes are usually close to senior politicians or officials (but not necessarily the right ones for a given training programme) while at other times, it is not uncommon for public service agencies to send (usually incompetent) employees to the training as way to deal with the inflated administration…. (D7)

However, as described by a senior departmental director interviewed for this research, a positive record of the role of aid in training as a key approach to capacity building and its absorption over time is undeniable:

With the time passing, because of the ongoing exposure to training (at home and abroad) as well as improvement of language skills, the Albanian public service is definitely not what it used to be in the ‘90s or early 2000 or even 2005 (G9)

\textsuperscript{160} Technical Assistance
Besides, while the above may be interpreted as a facilitator in the knowledge transfer process, an expert involved in several M&E tasks for donor-funded training programmes points to improvements in public servants’ attitudes due an increased interest in their own career development especially in the last 2-3 years:

There are improvements in the beneficiaries’ perception and absorption of the benefits of capacity building and training in particular. Increasingly, it [training] is taken more seriously and seen [by public servants] as a complementary HR resource and value-adding element in their qualifications and daily work… . (E3)

A final factor, neglect of the national specificity and failure to reflect contextual elements in training programmes figures as a key constraint as far as absorption of aid towards policy learning is concerned. This resonates with the arguments discussed in both aid and policy transfer literatures (Peters 1997, Riddell 2007, Hyden 2008, Lavergne and Saxby 20110) and is substantiated by accounts of interviews including those within the donor community:

The issue with some training programmes designed for public servants is that they are not contextualized with the socio-political context of the country. To gain ground, donors often tend to over-utilize ‘fashionable’ terms and concepts in their programmes, which do not fit with the context; sometimes, they even go outside their core expertise…. Donors need to focus more on the ‘contextual understanding’ of countries like Albania to ensure effectiveness of their training programmes. (D10, E3)

8.3.3 Communication between donors and bureaucrats

The review of the literature on aid and policy transfer converged on the importance of communication between aid organizations and recipients and the ‘indigenous’ or ‘national' context as broadly referred to in the policy transfer framework (Rose 1993, Lancaster 2007, Riddell 2007, Evans 2009). Both strands of literature point to a number of specific variables that may influence such interaction including power relations as well as institutional culture, which are not only key to effective and efficient transfer but even capable of modifying transferred policies and programmes (Common 1998, Djelic 1998, Hyden 2008, Pollitt and Bouckeart 2004). The dynamics of such interaction are reflected in the policy-oriented learning facilitated by different policy actors (Ladi 2005, Evans 2009).

While the early part of the discussion in this chapter focused on the specificity of the ‘national context’ as related to administrative reform and capacity building, the research results discussed below are analysed in the light of the variables discussed in the literature and potential ones emerging from interviews and focus groups. The communication between donors and bureaucrats in the research context seems to be influenced by the
manifestation of a predominantly ‘closed culture’ typical of Albanian institutions during the implementation of most capacity-building programmes. Such culture is significantly shaped by resistance to change often driven by political polarization and, specifically, a tendency to ‘hide problems’ within the public organizations, which donors can assist with (D3, D12).

The arguments debated in the literature, which suggest that greater emphasis should be placed upon the technical and operational aspects of aid delivery as well as the relationship between donors and recipients (Riddell 1987, 2007) have applications for this discussion as well. Thus, in the research context, the (mis)communication between donors and recipients was exemplified through either ‘lack of or poor consultation prior to’ or ‘inappropriate timing’ of the implementation of capacity-building programmes:

> While certain other donors directly impose their idea of ‘needs assessment’ on the beneficiary, there are cases when training contracts are awarded to certain companies that had not consulted the beneficiary institution at all during the design phase of a proposal by the company …. Besides, given that the needs assessment for a training programme happens 2-3 years before its actual start, there are times when proposed modules are no longer current or even relevant (G1, E4)

While the above may appear to represent an isolated scenario, the lack of consensus on capacity building needs seems to be a common concern shared by interviewees, which may be interpreted as a constraint in the donor-bureaucrat communication:

> Failure to find common grounds in identifying capacity-building interventions often leads to inconsistencies of TNAs by donors vis-à-vis those expressed by public servants consulted, which ultimately leads to failure of such initiatives (N4)

Power relations, a variable broadly discussed through the policy transfer literature (Djelic 1998, 2001; James and Lodge 2003) also seems to be a factor in the communication between donors and recipients, which in the research context can be both a ‘facilitator’ and a ‘constraint’. A key finding discussed in Chapter Seven was that global aid institutions and mechanisms imposing a ‘best practice’ in Albania may, on the one hand, be interpreted as facilitating a more effective communication between donors and recipients towards the capacity building, enabling the recipients to engage as an equal partner in policy dialogue.

On the other hand, based on the accounts of interviewees, the dynamics of power relations (in relation to certain processes such as recruitment of consultants) can also constrain the communication with the donors. A public servant interviewed for this study exemplified

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161 Training Needs Assessment
this through a change in those dynamics because of the termination of an international consultant’s contract by his agency, affecting the relationship between the agency and the EU Delegation in Albania:

Resisting the imposition of donors with regard to the choice of consultants is a very new thing… and that became stronger with our government having a stronger voice in dealing with donors recently. A case in point is a recent decision by X [public org.] to dispense with the services of Y [private contractor] recommended and contracted by EU to perform a capacity building project. In my view, this is a good thing, but I wouldn’t say the situation has not caused tension between us and the EU. (G1)

However, as discussed in Chapter Two, the dynamics of power relations especially as they relate to aid politics, internal governance of aid organizations and the presence of networks (Sabatier 1999, Wedel 2001, Riddell 2007) are increasingly key to policy transfer in developing countries and will occupy most of the discussion in the next section.

8.3.4 Donor organization and politics

In the researcher’s view, despite the increasing emphasis on aspects related to internal donor governance in the literature on aid and its politics (Celasun & Walliser 2008, Easterly 2010), such aspects are insufficiently treated in the policy transfer literature to date. Yet, such literature highlights the salience of the dynamics of the interaction between policy actors for policy transfer to occur (Dolowitz and Marsh 2000).

As regards the impact of the internal governance of donor organizations on the donor-bureaucrat interaction, ‘mixed/conflicting messages’ in feedback mechanisms to recipients as discussed in the literature (Riddell 1987, 2007) appear to be an issue in the Albanian context and are perceived as a constraint in such interaction (D1). To illustrate, in relation to the implications of the progress of administrative reform for membership into international organizations, a capacity building consultant interviewed for this research provided a sense of frustration with the fact that:

While the development division of X [donor agency] celebrates successes working with the GoA on initiatives to implement reform, the political division [of same donor agency] issues a conflicting report which states that ‘reform in Albania has hardly progressed at all’ so… a completely different message. (E4)

Issues related to donor politics were reflected through the accounts of interviewees from the NGO sector as well. In the words of a high-profile think-tank expert, clashes among donors and their agenda in the early years of transition have nowadays been replaced by a growing competition for ‘market shares’ among them or even between certain donors and
bigger national NGOs (N5). Coupled with underreporting of funding to the sector (see also 7.3.3), this is considered to increasingly undermine the donor community’s values and credibility (D2). Besides, the perceived issues of the effectiveness of aid coordination and effectiveness mechanisms (as maintained mostly by non-EU donors) can be precisely attributed to the fact that:

irrespective of commitments to global and in-country aid mechanisms and institutions, certain international (aid) organizations still operate as ‘individual bilaterals’ and aid coordination is simply ‘not a priority’ for them (N3).

While the above may be interpreted as constraints in the donor-bureaucrat interaction, other interviewees believe that certain recent changes in the internal organization of some donor agencies may have positively influenced their interaction with the aid recipients, contributing to more effective policy learning. A civil society expert praised the significant changes in the reporting practices within the EU Commission in particular, thereby contributing to more effective policy learning by the Albanian bureaucrats and noted that:

Once a conservative donor lacking public disclosure of reports and indicators, the EC’s reporting practices are now more open and transparent. Besides, the decentralization of politics within the EC itself (with individual state members taking over its presidency regularly) has had positive implications in terms of the assessment of the impact of their capacity building programmes because public servants now have more access to the Commission’s reports. (N1, N2)

From another perspective, a donor officer sees the accession of new member states into the EU as a potential facilitator in terms of the donor-recipient interaction as well as for improved EU-Albania relations and more effective policy learning across the public service:

The effectiveness of the EU aid towards capacity building will be enhanced when bureaucrats in Albania (and other countries in Southeast Europe) will start to appreciate more the benefits of the expertise of their colleagues from the new member states (Poland, Hungary, etc), whose experience is more relevant and closer to their reality. (D14)

However, as discussed earlier, the interaction between the key actors (donors and bureaucrats) is facilitated by other actors included in the policy transfer framework such as NGOs and consultants and contractors. Their role and specificity in the Albanian context (discussed below) helps to better understand the ‘cultural’ element of the national context.

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162 The role of NGOs in aid effectiveness and coordination mechanisms was briefly discussed in Chapter (7.3.3) and will be re-visited again in the section below (8.3.5)
8.3.5 Donor-bureaucrat-contractor networks

Building on the above assumption, in addition to international aid organizations and public servants, the networks of actors that are involved in learning and transfer, constituting what has been termed as ‘policy community’, are extensively discussed in the literature (Bennett 1991, Stone 1999, James and Lodge 2003). More significantly for the research context, as it was learned though interviews and focus groups, the dynamics of the interaction between the key policy actors engaged in policy transfer cannot be fully understood without examining the formal and informal networks between them (D2, N5).

On the one hand, some donor officers interviewed expressed frustration with the lack of pressure groups and a strong civil society, which could otherwise perform ‘watchdog’ roles in administrative capacity building processes in the Albania context (D1). In the absence of real ‘local capacity builders’, NGOs are increasingly sub-contracted to conduct analyses and implement capacity training programmes through ‘service contracts’ rather than ‘democratization grants’, which was the case through the 1990s (D8). On the other hand, as found in Chapter Seven, those NGOs are perceived to be the most silent in the aid effectiveness institutions and mechanisms introduced in recent years (D2, D7, D9, N2)163. On the balance of findings based on the accounts of interviewees and focus group participants, it appears that, irrespective of the acknowledgement of transfer through NGOs, their acting as ‘implementing partners’ on behalf of donors rather than as representatives of public interests (D8, N2, N4) is a peculiarity of the Albanian context:

In Albania, we are not talking about civil society pressure groups [but rather] NGOs, which referring to themselves as ‘centres of expertise’, often use access to information and technical knowledge [and loopholes in the legislation around the functioning of non-profits] to access capacity building contracts…. [Thus], rather than representing the beneficiary or even the agenda(s) of donors contracting them, they act as private entities, representing their very narrow private interests (E4, D10).

Describing most of the sector as ‘weak and opportunistic’ (D10) and hardly a reliable source for effective pressure on the government to implement reform (E4), some in the donor community realize that, the main issue is that in the 1990s and early 2000s most Albanian NGOs came into existence either due to donor funding availability or as spun off from Western NGOs rather than inherently rising from within the Albanian society (D4, D5). However, resembling the politicization in the public service, what seems to have undermined their core values and even damaged their image, especially most recently, is

163 See discussion in 7.3.3
their clear political bias, that is siding with political parties (N3). To re-iterate, this resonates with one of the key findings in Chapter Seven, where it was argued that a weak and opportunistic NGO sector has, at the very least, not contributed to donor-bureaucrat policy dialogue through SWGs (see 7.3.3).

The lack of transparency and accountability and low standards of performance in delivering capacity building programmes are exacerbated by high levels of corruption and informal networks both among the NGOs as well as those who receive the training (D4, D10). While the establishment of formal networks (mechanisms of transfer) among donors or between donors and the GoA may be interpreted as a ‘success story’ in the Albanian context, strong informal ‘donor-bureaucrat’, ‘donor-contractor’ and ‘bureaucrat-contractor’ networks seem to prevail in Albania. In the views of the interviewees, those networks often manifest themselves in tendencies of contractors (NGOs) to please beneficiaries in the public service and ‘buy their partnerships’ through the implementation of capacity building programmes (E4). Most significantly, resembling the ability of the politics to alter policy transfer discussed in Chapter Three, the existence of the informal networks is also demonstrated even in ‘clientelist’ donor behaviour, whereby certain public service structures or private contractors, foreign or local, are often favoured:

certain donors are also negatively affected by the apathy and corrupt behaviours of the local environment in Albania and… in order to meet their objectives, they become easily manipulated by such an environment (N5)

‘There are times when an Albanian local NGO will not access a contract from a certain donor simply because it is perceived as an ‘ally’ of another donor. At other times, even personalities of senior officials of an aid agency affect chances of how favourably (or unfavourably) a capacity-building proposal is evaluated by that agency (N3)

The issue of ‘clientelism’ emerged in interviews and focus groups with public servants as well. In their views, it often demonstrates itself in the quality of donor-selected consultants, who, in some cases, have little or even nothing to do with the nature of a given capacity building programme (E2, G3). Such views are challenged by individual donors like the EU, claiming their commitment to inclusion of aid recipients as equal partners in the selection of contractors (D11) but the reality shows that when beneficiaries are involved in the selection or, when local consultants are selected and employed, implementation of capacity building projects is more effective (G10). Ultimately, as an interview with a senior Albanian bureaucrat revealed, donors need to reconsider their tendency to deliver training via NGOs

164 These mechanisms were extensively discussed in Chapter 7
and make more efforts to coordinate training through TIPA thus strengthening its capacities as a more legitimate government capacity-building agency (G9).

The interpretations of findings discussed above reveal issues with the ‘administrative culture’ of the national context ranging from ineffective absorption of aid to the presence of “strong” informal networks, which appear to alter and limit the occurrence of policy transfer. The following discussion will now bring back other dimensions, such as the motivation of policy actors and implications of the Europeanization process for administrative reform and capacity building as discussed in the literature165.

8.4 Implications of EU accession: an analysis via the lens of policy transfer

8.4.1 Conditionality as applicable to the Albanian context

As discussed in Chapter Three, despite the fact that the impact of international aid organizations on policy transfer in the developing world is unmistakable, international aid does not come without conditions, which present opportunities for policy transfer (Common 1998, Minogue 2004). This is often referred to as ‘conditionality’, a broad analytical tool to explain the effects of external actors on good governance (Schimmelfennig 2005). As such, a key conditionality for developing countries to receive aid is to show willingness to get the policies right by undertaking reforms and pursuing sound policies (WB 1993, Grindle 2000 and Easterly 2003). As discussed in Chapter Three, while the enlargement of the EU in 2004 gave fresh impetus to international policy transfer activity in CEE, Europeanization as a process of policy transfer and an alternative strand within its literature has highlighted a specific mechanism, ‘EU (accession) conditionality’ and examined its implications for administrative reform in CEE (Dimitrova 2006, Common and Gheorghe 2011). However, it is argued that it has been mainly analysed in the context of the more advanced transitional countries of CEE while research on its application in the SEE countries is much more limited (Hoffmann 2005, Sedelmeier 2008).

Challenging accounts of variations in reform trajectories attributed to both path-dependent contextual factors and non-domestic external ones (in altering domestic policy) discussed in the policy transfer literature (James and Lodge 2003, Stubbs 2005), the discussion in this section will centre around ‘EU conditionality’ in Albania and its implications for

165 See Chapter Three (3.3.3.5 and 3.4.5)
administrative reform and capacity building. As mentioned earlier (Chapter Five), the signing of the SAA in 2006 (part of a process which the EC originally introduced for SEE countries in 1999 as a crucial step towards EU accession), requires the Albanian state to accomplish a number of obligations, the approximation of the Albanian laws with European standards being one of them (Latifi 2009). As a result of this, an ‘acquis communautaire’ translation process in several branches of the Albanian public administration started in 2007 (GoA 2010). It is maintained that this has helped incentivize the Albanian ruling elite as it engages in the transposition and implementation of acquis (O’Brennan and Gassie 2009). In the administrative sphere, this has translated into efforts for legislative amendments to ensure:

establishment of a professional public service, based on meritocracy, non-discrimination principles, which are rational and capable of facing the [EU] integration (GoA EA 2010: 19)

However, as discussed in Chapters Six and Seven, only recently has the reform of public administration become an integral element of key government strategies, such as the aforementioned NSDI, aiming to align the PAR Strategy and international aid with the integration process:

The [inter-sector] Strategy on PA Reform 2009-2013 lays the foundations for further strengthening of public administration to cope with the standard of European Integration as well as better prioritizing future external assistance to the area. Initiatives are under way aiming at reviewing existing legislation on the organization and functioning of PA based on best practice (SIGMA) suitable for Albania (ibid).

From a review of the chronological events following the signing of the SAA from the time the agreement was signed (2006) till it came into force (2009), it appears that ‘EU conditionality’ has translated into more specific mechanisms such as incentives, which ‘aid organizations, especially EU, have used for positive change and promotion of reforms in the C/SEE’ (Hoffmann 2005: 56). After Albania became an official member of NATO in 2009, an example of the former (that is, incentives provided by the EC) was ‘visa liberalization with the EU’, made effective in December 2010 while the fieldwork research was in progress. Simultaneously, the EC rejected Albania’s ‘Application to EU candidate

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166 Stabilization and Association Agreements (see Chapter 5 and 6)
167 Public Administration Reform (PAR) Strategy as part of the 2007-2013 National Strategy for Development and Integration (NSDI) was initially discussed in Chapters Six and Seven
status’ citing limited progress in 12 areas, in which public administration and administrative capacity development were a key ‘conditionality’:

[Despite] some limited progress in public administration reform and reinforcement of administrative capacity building as key priority [of the Opinion] and [a conditionality] for the SAA implementation identified in the European Partnership with Albania [since 2007], essential steps in public administration reform including amendments to civil service law [pending and contingent upon the persistent political stalemate] have not been completed. [Overall], public administration reform has not advanced much at all (EC 2011, 9)

8.4.2 Political motivations of actors: facilitator and/or constraint?

To recapitulate on and add to the theoretical discussion in Chapter Three, policy transfer plays an integral part in the politics of agenda-setting, formulation and implementation; however, whether voluntarily or coercively transmitted to the policy agenda, there could be contextual forces that might constrain or facilitate the formulation of an idea into policy (Rose 1993, Hulme 2000, Hill 2009). Thus, motivations of policy actors can be facilitators or constraints in policy-making in particular, in policy transfer processes. For example, the top-down model of public choice theory, based on the assumption that bureaucrats are motivated primarily by self-interest, suggests that policy objectives are complementary to the motivations of the bureaucrats and other agents involved in the policy process (Dunleavy 1991, Evans 2004). More specifically, the policy transfer literature argues that the benefits that bureaucratic elites may enjoy as a result of transfer based on international reform doctrines such as NPM may help to bolster wider political support as well as increase the symbolic impact and value of those reforms (Common 1998, ibid).

Yet, proponents and critics of the policy transfer adopt a more critical approach to the bureaucrats’ motivation’ in the policy process. They argue that while the assumption of the public choice ‘top-down’ model may not be satisfied in practice and may even lead to policy failure (Sabatier 1999), bureaucrats in certain contexts may even adopt lessons solely ‘for symbolic purposes or as a strategic device to secure political support rather than as a result of an improved understanding’ (Stone 1999: 96). While political motivations of policy-makers are described as catalysts, either as facilitators or constraints in the policy transfer process, ‘we (therefore) need to account for the incentives, both perceived and real, offered to policy-makers that go beyond condition and prescription suggested or imposed by aid organisations’ (Common 1998: 72). As argued earlier, it is precisely the

168 The 12 recommendations (as part of the EC’s Opinions on Albania’s application for membership of the European Union) were discussed under 5.2.3 (see fn 39)
ability of the policy transfer framework allowing for an analysis of those motivations that makes it distinct from other forms of policy-making (Dolowitz and Marsh 2000, James and Lodge 2003).  

Albania seems a case in point, where bureaucrats engage in policy transfer for symbolic purposes. In the particular context, the domestic policy actors unanimously recognize that the association with Euro-Atlantic structures and institutions has helped Albania strengthen its democratic processes and structures and implement its domestic reform, which are necessary for a strong and functioning democracy (NSDI 2007-2013: 9). Hence, despite concerns by EU accession sceptics and international actors often claiming that irrespective of the country’s all-encompassing consensus to EU integration, certain segments within the Albanian society (including public administration) are not fully aware of what it takes to get into the EU (D14, G5), ‘the clear official policy in favour of the integration is frequently presented as a reform facilitator’ (EC 2002; Elbasani 2009: 11). As demonstrated in recent GoA declarations:

European integration and becoming part of the EU family, where Albania belongs, is the highest priority in the policy agenda of the Government… . In pursuit of this objective, one of the priorities is an administrative reform towards standards that ensure effective support for the adoption and implementation of acquis (GoA 2010)

Yet, the motivations of domestic political actors appear to prioritize the process related to membership into aid organizations as ‘an end in itself’ and policy mechanisms offered by the EU, which those actors highlight as ‘achievements towards Euro-Atlantic integration’. However, focusing on the integration of the EU accession agenda with an overall development agenda rather than understanding public administration reform, whose lack of progress is clearly cited in the EU’s recent reports (EC 2011), as an essential tool for development might be construed as a reform constraint. Thus, EU accession figures as a common concern underpinning the motivation of bureaucrats in the Albanian context:

The [EU integration] process becomes even more substantial at a time when Albania is negotiating its candidacy for EU membership… . The Stabilization and Association Agreement (SAA) came into force in April 2009 and [around the same time], Albania became a member of NATO. A significant achievement in the history of EU-Albania relations was the decision of the EU Parliament in favour of the visa liberalization for Albanian citizens to travel in the Schengen area as of December 2010… . (Yet) full integration of the EU integration agenda with overall development agenda remains the key challenge (GoA 2011).

See also 3.3.2.5
However, the dichotomy between the formal acceptance of commitment to administrative reform by the GoA and failure to implement as reflected in the sharp criticism by EU may speak to a number of underlying issues. First and foremost, the problems with the implementation of existing laws on civil service management, as reflected in increasing levels of politicization, and failure to adopt new amendments due a polarized political climate attest to the fact that commitment to administrative reform may be neither genuine nor a priority for the GoA (G11, D12). Secondly, the recent reluctance of the EU to continue to fund the ‘administrative reform and capacity building’ component of aid compared to 2006 when the SAA was signed, coupled with its use of certain alternative policy instruments as incentives such as ‘visa liberalization’, may be interpreted as a ‘silent’ indication of a possible abandonment of such component (E4, D13).170

As the Albanian bureaucrats boast certain ‘accomplishments’ they claim to have negotiated with the EU (G3, G5), likely be used to bolster future political support, the central argument of this thesis is that the current EU-Albania relations are characterized by a sense of complacency. While it can be maintained that the signing of SAA in 2006 and visa liberalization in 2010 may have been intended to incentivize the EU accession process, they may have come at the cost of Albania drifting away from the path to administrative reform. In this regard, the interpretation of these dynamics by an independent capacity building expert interviewed for this research is interesting:

The external pressure for reform [by the EC] has been inconsistent. After the political changes (2005) and the signing of the SAA (2006), there was some kind of “lethargy” or “apathy” on the part of EC to support civil service reform in Albania thus considering it more of a “national matter”. Such a tendency became more obvious last year [Dec. 2010] after visa regime requirements for Albanians were lifted. The relationship between EU and GoA afterwards has become more of courtesy…. (E4)

In light of the above and bringing back the discussion on dynamics and degrees of policy transfer in Chapter Three, it is indeed helpful to use the policy transfer continuum designed by Dolowitz and Marsh (1996) to analyse the nature of transfer towards administrative reform and capacity building in the Albanian context171. This is the objective of the discussion that follows.

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170 I refer to the analysis of the funding of ‘administrative reform and capacity building’ component under CARDS vs. IPA (see Chapter 6)
171 See also discussion in 3.3.2.4 and Figure 1
8.4.3 Locating the case of Albania within the policy transfer continuum

The theoretical arguments by policy transfer critics, according to which not all of the transfer is successful and some of it may lead to failure due to various contextual factors (Bennett 1992b, Dolowitz and Marsh 1998, James and Lodge 2003) have applications to the empirical findings. Some of those factors include incompatibility between transferring countries and resistance of the indigenous environment (Rose 2005, Benson and Jordan 2011). Based on the discussion throughout this chapter, an adverse political environment coupled with difficult socio-economic conditions and the ability of the national context in Albania to modify or even block policy transfer can all contribute to the perceived policy failure. This may be taken to argue that transfer towards administrative reform in Albania fits the characteristics of ‘inappropriate transfer’ due to socio-political differences between transferring aid organizations and the context where it is transferred to.

**Figure 8: The case of public service reform and capacity development in Albania located in the policy transfer continuum**

Earlier in this chapter, it was also argued that the externally motivated nature of reform may have contributed to the failure of the policy transfer towards administrative reform. While that would locate the case of Albania in the ‘coercive’ rather than the ‘voluntary’ part of the transfer continuum (Chapter 3), the evidence is not sufficient to suggest that transfer has been coercive due to any direct imposition from international aid organizations either (Dolowitz and Marsh 1996). However, as argued in 8.4.2, reform has been motivated by the interests of the domestic bureaucracy in membership of aid organizations such as the EC, which, in turn, has made ‘EU (membership) conditionality’ and aid contingent upon adoption of administrative reform and capacity building. Therefore, in an attempt to locate the case of administrative reform and capacity building in the policy transfer continuum, it is perhaps reasonable to infer that it may fall within the area between ‘obligated’ and ‘conditional’ transfer (see Fig. 1, Chapter Three) as demonstrated in Figure 8 (above).

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172 Source: My own interpretation of findings based on the continuum designed by Dolowitz & Marsh (2000)
8.5 Concluding thoughts

Re-visiting the discussions in Chapter Two and Three, this is the part of the study where the policy transfer framework is more directly applied to analysing the role of international aid in administrative reform and capacity building in Albania. Thus, through an investigation of the national political, institutional and bureaucratic context, this chapter has shown that a political culture characterized by increasing levels of politicization in public administration and failure to introduce essential legal amendments as well as the externally motivated nature of administrative reform are the root causes for its perceived failure. Based on the theoretical assumptions of policy transfer, it has exemplified how the national context has been able to modify the transfer process. Thus, the chapter argued that, using legal loopholes, the ruling parties have been able to circumvent the provision of the CSL, developed with the assistance of SIGMA/EU and the WB, in order to bring in or retain political militants in the administration, ‘temporary contracts’ being a case in point. While the capability of the national context to alter policy is discussed extensively in the policy transfer literature, examples provided may suggest how a transitional country context such as Albania may not only modify but even block the process. Thus, on the one hand, accounts of efficiency measures through the introduction of temporary contracts and realignment of key reform institutions (DoPA) may speak to an orientation towards managerialist, NPM-type reforms (Pollitt 2003, Dunleavy et al 2006b). On the other hand, the consistent preference for the administrative law (CSL) through the years of transition and recent efforts towards administrative capacity building based on the Reschstaat model may signal a shift towards Weberian reform in the near future (Minogue 2001, Politt and Bouckaert 2004). While, on the surface, this may seem to reinforce theoretical arguments claiming that Albania is adopting NWS reforms (Archmann 2009, Lynn 2008, Cepiku and Mitetelu 2009, Politt and Bouckaert 2011), the interpretation of this thesis is more critical. It argues that the mixed accounts of administrative reform in the Albanian context may serve as a classic example of governing elites using the adoption of international doctrines to solidify their political position, which represents a sharp shift in the trajectory of reforms based on the former. This is an unintended consequence of policy transfer (see 3.4.4).

The interaction among policy actors, such as bureaucrats and international aid organizations, is an integral part of the policy transfer framework. Hence, in an effort to

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173 I refer to the initiative on the Albanian School of Public Administration modelled after the French ENA and supported the EU Directorate for Enlargement discussed under 8.2.5. See also fn 154
explain the administrative culture of the context, this chapter has examined the dynamics of such interaction through the constraints and facilitators in the delivery of capacity building programmes through training funded by donors. The findings revealed that high staff turnover due to a highly politicized public administration, institutional set-ups with training channelled through a central government agency such as TIPA rather as an HRM function as well as the mentality and attitudes of recipients, as reflected in ‘conformist’ and ‘passive’ participation in assessment of needs and impact of training, are key constraints in the absorption of aid towards capacity building as part of international policy transfer.

Furthermore, drawing on the literature review on aid and its politics, the chapter has explored the role of international aid from the perspective of donor governance. Overall, the results revealed that often, ‘mixed or conflicting’ feedback from donors to recipients, the existence of informal donor-beneficiary-contractor networks (Bennett 1991, Wedel 2001, Riddell 2007) and the tendency of donors to over-rely on weak and opportunistic NGOs as ‘implementing partners’ rather than ‘pressure groups’ in the delivery of policy learning are key constraints in the Albanian context. Most interestingly, it can be argued that, the peculiarity of the domestic environment in Albanian lies in its capability to not only modify the policy transfer process but even affect donor behaviour.

Lastly, drawing on Europeanization as a strand within the domain of policy transfer literature (Radaelli 2003; Papadimitriou and Phinnemore 2004, Börzel 2006), the chapter explored specific policy mechanisms such as the ‘EU conditionality’ in an attempt to illustrate its application to the Albanian context. Through an analysis of administrative reform and capacity building as ‘key conditionality’ for EU accession, the research argues that, in the light of EU criticism on the lack of progress in administrative reform reflected in its reluctance to continue to fund such an aid component, the dichotomy between the formal commitment to and failure to implement administrative reform by the GoA may be explained by the questionable genuineness of the bureaucrats’ commitment and their self-interest in the EU accession. The research also argues that conditionality may not work through the use of alternative policy mechanisms such as incentives (i.e. the signing of the SAA in 2006 and visa liberalization in 2010) as they may have led to a sense of complacency in the EU-Albania relations at the cost of long-term administrative reform and capacity building. Based on the Dolowitz and Marsh (1996) policy transfer continuum (Chapter Three), this study technically places the case of administrative reform and capacity development in Albania within the ‘conditional’ and ‘obligated’ segment of the continuum.
Chapter 9. CONCLUSIONS

9.1 Introduction

This thesis has attempted to provide a detailed analysis of the dimensions and dynamics of the role of international aid in the reform and capacity development of public service in post-communist Albania. It has done so by drawing on a comprehensive review of literature on areas including but not limited to aid and its politics, public administration and policy and capacity building in developing country contexts (Chapter Two). The study has broadly relied upon the policy transfer conceptual framework (Dolowitz and Marsh 1996) placing its emphasis on selected elements and actors of transfer as well as on the salience of the national politico-administrative context (Pollitt and Bouckaert 2004, Evans 2009). The analysis was built around three key research questions:

i) What policies and programmes have international aid organizations used to support the process of public service reform and capacity development in post-communist Albania?

ii) What are the institutions and mechanisms through which international aid organizations have sought to assess the role and impact of their policies and programmes?

iii) How have the specificity of the national context and the dynamics of interaction between policy actors (international aid organizations and Albanian bureaucrats) influenced the process of policy transfer towards public service reform and capacity development?

Based on a qualitative research methodology, primary data were collected from 38 elite interviews with senior and mid-level government officials, donor officers and civil society representatives operating in Albania during the time frame of August 2010 to July 2011. The data were triangulated through focus groups and documentation analysis as part of the fieldwork component of the research study and then analysed through the lens of the above-referenced conceptual framework.

This chapter proceeds in three parts. It starts with an overall summary of findings, which consist of answers to the original research questions. This is done by placing the variables discussed in the empirical chapters within an adapted conceptual framework, which identifies elements and actors of the policy transfer as well as their engagement with the
national context. This has helped the process of interpreting the primary data in light of the specificity of the context, the arguable progress of administrative reform and capacity development in Albania. The analysis of the specific roles of key actors, international aid organizations and Albanian bureaucrats is presented in the light of the constraints and facilitators of their interaction in the policy learning process. Besides, benefitting from the *Europeanization* literature (Radaelli 2003, Papadimitriou and Phinnemore 2004, Börzel 2006) this study sought to interpret the case of administrative reform and capacity building in Albania in the context of the EU accession and its politics. Despite the broad application of the policy transfer framework, references to *Europeanization* in the context of a ‘potential EU candidate country’ such as Albania, a process which hinges upon public administration reform and capacity development (Verheijen 2002, Dimitrova 2005) are unavoidable. Thus, this thesis draws on the assumption that without an analysis of the implications of EU accession, administrative reform and capacity building in Albania cannot be understood. However, as discussed in Chapter Three (see 3.4.5), Europeanization per se is not the framework that this thesis builds upon. In essence, this concluding section intends to shed light on the debatable progress of administrative reform in Albania, which neither GoA publications nor assessments by the EU and the OECD are able to adequately explain.

In the light of the arguments on international aid and capacity building for good governance (Riddell 2007, Booth 2011) discussed in Chapter Two and the prevalence of the use of policy transfer in mature policy environments in developed rather than developing countries (Dolowitz and Marsh 2000, Evans 2004), the second and third parts of the chapter discuss the contribution of this thesis both in terms of theory as well as for policy-making and research in Albania, SEE and possibly broader in the developing world.

### 9.2 Summary of findings

This section summarizes the key findings of the thesis based on the three research questions re-iterated below:
9.2.1 Research Question 1

What policies and programmes have international aid organizations used to support the process of public service reform and capacity development in post-communist Albania?

9.2.1.1 Synopsis: Policies and programmes

The thesis provided a detailed narrative and analysis of policies and programmes of international aid organizations as essential elements of policy transfer in support of administrative reform and capacity building in Albania from the fall of communism (December 1990) with a focus on recent years. Initially, the desk research had identified four major international aid organizations, the WB, the EU, the EBRD and the IMF, which in the early to mid 1990s had embarked on efforts towards a ‘coordinated’ reform policy to re-build the Albanian state leading to the development of the first national ‘Strategy for Recovery and Growth’ preceding the 2001-2006 National Strategy for Socio-Economic and Development (NSSED). The results of the research revealed that during that time ‘public service reform and governance’ appeared as one of the seven strategic elements of political, social and economic reform.

As part of the EU’s Strategy for CEE ‘Preparing Public Administrations for the European Administrative Space’ (Verheijen 2002), the initial efforts of SIGMA as a joint EU-OECD initiative had focused on introducing and drafting a regulatory framework around the functioning of public service. However, due to a very weak institutional context still suffering from the communist legacy and an aggravating political climate which culminated in the events of the 1997-1998 pyramid schemes, exacerbated by a near-complete collapse of the first post-communist Democratic Party-led government state which brought back to power the Social (former Communist) Party, the efforts of SIGMA in both 1996 and 1998 to pass the first Civil Service Law (CLS) failed (Chapter Five and Six). It was not until 1999 that the CSL, otherwise referred to as ‘Policy # 8549: On the Status of Civil Servants’, was passed. The development of the CSL also significantly benefitted from the assistance of the WB’s PAR (Public Administration Programme), which contributed to the strengthening of the role of DoPA (Department of Public Administration) by helping to place it under the jurisdiction of the Office of the Prime Minister. It also introduced the notion of the ‘Secretary General’ (SGs) as the most senior civil service position in each Ministry and

174 The analysis reflects findings from the fieldwork trip as part of this research study (November 2010 – July 2011)
contributed to the establishment of the Civil Service Commission (CSC). As the EU and the WB were accepted as the drivers of public service reform in those years, the factors that contributed to the debatable success of their joint efforts included clashes between the Bank’s ‘managerial’ versus the EU’s ‘career-based’ approach to public service management as well as the persistent weaknesses of domestic institutions. Thus, the application of concepts such as ‘top civil servants’ (Politt and Bouckaert 2004) referred to as SGs (see 6.3.2) was and, as the findings revealed, still is premature in the Albanian context. These findings reinforce the arguments discussed in the literature, which highlight both the contradictory nature of aid as well as the resistance of the national context to transfer through policy learning (James and Lodge 2003, Easterly 2006, Peters 2010). Thus, at the end of PAR cycle (2005), as the research found, the WB considered the performance of public service reform component as ‘unsatisfactory’ due to failure to implement recommendations for a meritocratic recruitment system on the part of the GoA, frequent restructuring of ministerial staff and an increase in the number of temporary (contractual) appointments.

Meanwhile, during the years preceding yet another political change, when the DP returned to office in 2005, the focus of the EU policy was assessment, prioritization and rating of Albania’s administrative progress without a clear approach towards public administration reform (Verheijen 2007, Elbasani 2009) let alone ‘capacity development’. However, as the conceptual framework suggests, it is more likely that the actors of transfer, such as policymakers in international aid organizations, will transfer programmes (and projects) rather than policies (Dolowitz and Marsh 1996, 2000). Thus, in terms of programming, the research identified the EU-funded CARDS (2001-2006), a €259.6 million programme which broadly operated on two platforms. The vertical one focused on the _acquis_ dimensions of reform (public finances, procurement, statistics, etc). The horizontal platform, reflected through the ‘Encouraging Civil Service Reform’ Project (CARDS 2003), focused on public sector HRM thus further promoting the ‘career-based’ model of civil service management. The findings revealed that, despite the technically superior approach of the Project, its limited effectiveness lay in an overemphasis on secondary elements of HRM while politicization of public administration continued to be a persistent issue. However, the Project boasted the development of the first national strategy (2002-2005)

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175 Community Assistance for Reconstruction, Development and Stabilisation in the Balkans (see 6.4.2)
for TIPA, the national training agency established by GoA decree/policy # 315 through the support of UNDP in 2000.

As of 2007, CARDS had been replaced by Instruments of Pre-Accession (IPA 2007-2010), whose assistance to Albania amounted to €306.1 million. Thus, the research identified a number of programmes on administrative reform and capacity building, including the ‘Support to the Albanian DoPA’ (€1m) administered by GIZ, ‘Project Preparation Facility’ (€1m) and ‘Support to the Ministry of European Integration’ (€2m) ‘aiming to enhance technical and administrative capacities of MoEI and ‘line’ Ministries in the EU integration processes’ administered by ADA (DSDC 2010). Based on the secondary data available, the study confirmed that the EU’s current aid towards administrative capacity building (under IPA 2008) amounts to €4m, representing only 1.3% of the total EU aid to Albania while, under the previous CARDS, the funding for that component made up 18% of the total aid. The research also found that, as an instrument designed to support alignment with EU standards, IPA has focused on the broader context of public sector rather than civil service reform. Although the latter fits in with a global paradigm in recent years (Dunleavy 2010), the focus on ‘a public sector reform strategy in line with the EU standards’ (GoA 2010) characterizes the aid policies of most donors operating in Albania nowadays.

9.2.1.2 Dominance of the EU accession agenda

The research brought out the dimension of administrative capacity building as related to the politics of EU accession. Thus, the findings confirmed that the signing of the Stabilization and Association Agreement (SAA) in 2006 as the first step to the accession has been a milestone, whereby administrative capacity development has officially become an essential part of the EU’s aid policy in Albania. Reinforcing the arguments discussed in the literature, assuming that the ‘capacity building’ criterion became part of a negotiations agenda in order to further the political process of the EU accession (Elbasani 2009), the findings highlight the shortfall of the EU aid policy in failing to synchronize administrative capacity building with the reform agenda under way. The dominance of the EU accession in the domestic development agenda – a central argument of this thesis – is substantiated by accounts from non-EU donors including the SDC and the USAID. Based on accounts of interviewees representing the latter, an attestation to this is the naming of the current

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176 Instruments of Pre-Accession (see 9.2.1.1.).
177 This will be discussed in detail in both Sections 9.2.1.2 and 9.2.1.3
National Strategy for Development and Integration (NSDI 2007-2013) which succeeds NSSED (see 9.2.1.1 above) and is built around the financial planning framework of the EU and the IPA Programme in particular (WB 2007).

9.2.1.3 Alignment with EU standards

Through the IPA Programme, the EU’s aid policy seems to support its counterpart within the GoA government organisation, such as the Ministry of European Integration (MoEI), and enhancement of their capacities for alignment with EU standards, a reflection of the current EU aid policy towards administrative capacity building in Albania. The approach has been embraced by bilateral donors and is reflected in all their capacity building activities and training in particular as well as in efforts to strengthen the role of TIPA in recent years. However, the interpretation in this thesis is that IPA’s focus has also had certain unintended consequences for administrative reform and capacity building.

First, while the most recent EU official reports are increasingly critical of the progress of administrative reform in Albania (EC 2010, 2011), HRM as one of the five components of assistance under IPA is not available to Albania as a ‘potential candidate country’ (IPA 2009). In line with the arguments around the controversial aspects of international aid (see 2.4), this may demonstrate the paradoxical nature of the EU aid towards administrative capacity building in the Albania context. Secondly, this research argues that despite the positive role of IPA towards initiatives to provide assistance with the development of PM Executive Order # 8549 limiting the number of temporary contracts (to be discussed under 9.2.3.3) and strengthening the TIPA, IPA’s assistance towards administrative reform continues to be confined to and favours regulatory frameworks around civil service management. On the one hand, this may be interpreted as a ‘push’ towards reform based on the Weberian model and building a Rechtstaat culture state, which the EU itself identifies with (Minogue 2001; Pollitt and Bouckaert 2004, 2011). On the other hand, coupled with signals of NPM-type reforms undertaken by the GoA, the significantly reduced funding from the EU for administrative capacity building (under IPA 2009) may have also contributed to the minimization of the role of the DoPA as the domestic agency.

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178 IPA 2009 contains five components. Two of them - general capacity building and cross-border cooperation - are available to all beneficiary countries including Albania, B&H and Kosova. Three other components – regional development, human resources management and rural development – are only available to acceding and candidate countries (Croatia, FYROM, Iceland, Montenegro, Serbia and Turkey)

179 See discussion on Weberian doctrine and Rechtstaat vs. public interest cultures (see 3.4.2 and 3.4.3)
responsible for administrative reform implementation\(^{180}\). Most significantly, these dynamics may have translated into a limited impact of aid on strengthening the role of public sector HR functions. Based on accounts of various interviewees, the latter continue to operate as ‘paper-pushing’ personnel offices and, in contrast with their counterparts in developed country contexts, are disconnected from training coordinated directly between TIPA and donors without their involvement\(^{181}\). In line with the arguments discussed in the literature (Evans 2004), this can be interpreted as an obstacle to policy learning processes in the Albanian context.

9.2.1.4 Public sector vs civil service reform

Further to the argument presented in 9.2.1.1, the research findings point to a noticeable shift in the policy of international aid organisations towards the GoA in recent years. It is argued that their assistance is gradually drifting away from civil service reform towards a broader public sector reform. This tendency is most clearly manifested in the policy of one specific donor organisation, the WB. Once ambitiously pursuing an assistance policy centred around civil service management reform (1999-2005), the Bank’s current focus is the management of the Multi-Donor Trust Fund (MDTF), a mechanism set up by the EU, the WB, the IMF and the UNDP in support of a cross-sector Public Administration Reform (PAR) Strategy under the 2007-2013 NSDI \(^{182}\). The findings identified the EU as the ‘lead donor’ towards the PAR Strategy and the Bank as the ‘technical expert’ with bilateral donors including ADA, SIDA and GIZ unanimously supporting the Strategy in most of their capacity building activities. Indeed, the literature discusses the link between public management reform and economic and social development (Evans and Rauch 1999, WB 2008, Dunleavy 2010). However, in challenging the literature, the argument of the thesis is that, in the particular context of a transitional country such as Albania, the donor tendency to move towards a broader, cross-sector public administration reform may be construed a detachment or even a ‘silent’ abandonment of the focus on civil service reform (which was the case up until 2005) as a tool for effective development\(^{183}\).

\(^{180}\) I refer to the decision of the GoA to move DoPA under the jurisdiction of the Ministry of Interior in 2005 and significantly reduced funding of the EU towards ‘Support to the Albanian Department of Public Administration’ Project under IPA 2009 \(^{181}\).

\(^{181}\) See discussion in 6.5.2

\(^{182}\) The MDTF was analyzed in Chapter 7 and will be part of the discussion under 9.2.2.1

\(^{183}\) See discussion on the collaboration between the SIGMA/OECD and WB’s PAR \(^{182}\).
9.2.2 Research Question 2

What are the institutions and mechanisms through which international (aid) organizations have used to assess the role and impact of their policies and programmes?

9.2.2.1 Synopsis: Aid Institutions and Mechanisms

The review of the literature and the analysis of aid-supported policies and programmes in the early years following the collapse of communism in Albania led to the conclusion that their strategy focused on state-building and general aspects of reform rather than public administration reform per se (Fritz 2006, Elbasani 2009). The findings revealed that the key shortfall of the strategy was the lack of a coordinated approach among donors towards international aid in Albania. The research identified the first donor mechanism, the Friends of Albania (FoA), whose mission was to develop such a coordinated approach in the wake of the crisis of 1997-1998. However, in analysing the set-up, organization, improvements, weaknesses and demise of the FoA, the research concluded that the mechanism was more of an information-sharing exercise among donors rather than a platform for reform policy. The second mechanism the research identified was the Donor Technical Secretariat (DTS) which succeeded the FoA and is still operational. Clearly, the primary objective of DTS is to facilitate a dialogue among donors. The research identified two sub-mechanisms established under the auspices of the DTS. The first is the Integrated Planning System (IPS), a product of MDTF (see 9.2.1.4), to ensure a clearer identification of priority areas for donor assistance in support of the implementation of NSDI as well as processes of membership into aid organizations such as the EU. The second is Sector Working Groups (SWGs), donor-bureaucrat forums to ensure avoidance of overlapping of aid-supported capacity-building programmes in various segments of public administration.

These mechanisms operated in coordination with the DSDC (Department of Strategy and Donor Coordination) which is an institution within the PM’s Office, set up through the ‘One UN’ initiative in 2005 at the same time the GoA made a decision to move the DoPA from its jurisdiction to that of the Ministry of Interior. The scope of these mechanisms has a more explicit focus: donor coordination and compliance with the dimensions of the Paris Declaration (2005) and subsequent seminal international agreements binding donors and recipients to standardized and simplified practices in aid delivery (Booth 2010, Blunt et al

184 This refers to the pyramid schemes leading to the near-collapse of the Albania state in 1997 (see 5.2.3)
The research highlighted this through an analysis of the role of DTS in coordinating global aid effectiveness mechanisms such as FTI-DoL (Fast-Track Initiative for the Division of Labour) and Harmonization Action Plan (HAP) for Albania aimed at identifying lead donors in various sectors of public administration.

In essence, the research challenges assumptions by both the GoA and donors that institutions and mechanisms of aid in Albania have explicitly attempted to build government capacity for aid policy coordination and dialogue with donors (OECD 2009; DSDC 2010). While this has translated into capacity development for management of global aid effectiveness and coordination mechanisms, the research argues that this does not necessarily equate to administrative capacity building. The argument is substantiated through two key research findings: a) the SWG on Public Administration being identified as the least effective of 10 SWGs; b) non-existence of an SWG on Capacity Development.

9.2.2.2 ‘Effectiveness’ of ‘Aid Effectiveness’ Mechanisms

An important aspect in understanding the role of international aid organizations in administrative reform and capacity building in Albania involves analysing the role of global aid mechanisms in the Albanian context with the GoA signing of the PD in 2005. The initial findings from some of the interviews revealed that compliance with the dimensions of the PD represents a ‘best practice’ in the Albanian context. However, this would constitute a technocratic approach to assessing the role of international aid (Watson 2005), which in essence this thesis attempts to challenge. As the findings confirmed, the GoA prioritized the creation of domestic institutions in compliance with the global ‘aid effectiveness and coordination’ agenda and this contributed to building government capacity for coordination of aid programmes such as the DSDC (see 9.2.2.1 above). On the surface, this may be construed as effective absorption of international aid. However, on a balance of all findings, two key arguments can be made. First, this research maintains that rather than focusing on ‘impact assessment’, domestic institutions such as the DSDC merely compile quantitative data based on M&E reports of donor organizations. Secondly, the effectiveness of aid mechanisms is highly debatable. Reinforcing the arguments of the literature (Browne 2006, Riddell 2007, Easterly 2010), it largely depends on the sector and

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185 Accra Agenda for Action (AAA) 2008, Busan Partnership for Effective Development 2011
186 The dimensions of PD including ‘harmonization’, ‘alignment’, ‘accountability’, ‘mutual responsibility’ and ‘managing for results’ were part of the discussion in Chapters 1 (see 1.2) and subsequently re-iterated through the analysis of empirical findings in Chapter 7
is often hampered by clashes among bilateral donors and their tendency to pursue their own agenda thus ignoring commitments to global aid institutions and mechanisms. The research illustrated this through the failure of the recently launched aid mechanisms such as the FTI-DoL and HAP (see 7.3.4 and 7.4.2) to produce an official lead donor in administrative reform and capacity building\textsuperscript{187}. The research also argues that the effectiveness of aid mechanisms is reduced by the lack of active participation of Albanian NGOs, which were found to be the most ‘silent’ actor in the SWGs.

9.2.2.3 Global aid mechanisms and domestic reform institutions

This research study draws on the literature on the governance of international aid organizations and its implications for domestic institutions in developing contexts (Easterly 2006, Lancaster 2007, Murshed and Moyo 2009). The emphasis is placed upon the role of recent global aid effectiveness mechanisms and institutions in relation to the Albanian public administration at large and, in particular, indigenous reform institutions such as DoPA. Thus, adding flavour to the arguments discussed in the literature on aid (Pierson 2004, Stubbs 2005, Molaners & Nilj 2009, Booth 2011) the findings revealed that the advent of domestic institutions/mechanisms responsible for compliance with standards of aid organisations such as EU or internationally binding agreements such as the PD have either superseded or even eliminated domestic structures and institutions responsible for administrative reform implementation. The study exemplified this through the case of the (EU) CFCUs and SPOs, which arguably have been superimposed upon and will, most likely, replace domestic structures such ‘policy coordination’ units through the organisation of the GoA\textsuperscript{188}. More specifically for the context of administrative reform and capacity development in Albania, the research takes the theoretical debate on the implications of aid governance for domestic capacity building (see 2.2.5) a step further. The analysis of findings leads to the argument that, in the Albanian context, the prioritization of and compliance with global aid mechanisms and also EU standards may have unintendedly contributed to weakening of the role of domestic institutions responsible for administrative reform implementation\textsuperscript{189}.

\textsuperscript{187} FTI-DoL (Fast-Track Initiative for the Division of Labour)/ HAP (Harmonization Action Plan)
\textsuperscript{188} CFCU (Central Finance and Contracts Unit)/ SPO (Senior Programme Office)
\textsuperscript{189} This refers to the fact that the DSDC was created at the same time as the GoA’s decision to move DoPA – the central public administration reform institution – under the MoI’s jurisdiction (see 6.3.2 and 7.5)
9.2.3 Research Question 3

How have the specificity of the national context and the dynamics of interaction between policy actors (international aid organizations and Albanian bureaucrats) influenced the process of policy transfer towards public service reform and capacity development?

9.2.3.1 Specificity of the national politico-administrative context

While recognizing the limitations of policy transfer and somewhat anecdotal analysis of its applicability in less mature policy environments, the literature suggests that policy transfer is endemic in transition societies in particular and, as such, a necessary condition and key dynamic in their policy-making (Wolman 1992, Evans 2004). Thus, in an attempt to apply the conceptual framework to the research study, the analysis has drawn on both the multi-level approach to studying the role of the national context in policy transfer as well as theorizations on the politico-administrative culture (Dolowitz and Marsh 1996; Pollitt and Bocukaert 2004, 2011). However, while this approach is helpful in studying the specificity of domestic contexts in processes of policy-oriented learning (mostly in developed countries), authors have suggested that in a transition state, the analysis should focus on ‘mapping of wider problems, pressures and opportunities that characterize the policy environment’ (Evans and Ivanova 2004: 100; Evans and Davies 1999, Evans 2009).

The research concluded that a highly adversarial and increasingly polarized political culture through the years of transition, which culminated in the blockage of parliament business during 2009-2011 and resulted in a failure to act on legal amendments on public service reform (as recommended by SIGMA), may partly explain the underlying reasons for non-transfer. More precisely, this demonstrates the ability of the context to block policy transfer. Besides, labour market shortages, coupled with the presence of NGOs acting as ‘implementing partners’ for donors (rather than civil society pressure groups) and, as the findings revealed, increasingly siding with political parties, have contributed to the political patronage. The above are all factors which characterize the Albanian context and may explain the limits of transfer especially when it comes to policy learning (see 9.2.3.3).

On the one hand, the research presented evidence that the re-positioning (or as argued earlier, minimization of the role) of key administrative reform institutions such as DoPA

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190 As discussed in Chapter 6 (6.5.2) and Chapter 8 (8.2.2), these amendments require 3/5 of qualified majority approval in the Parliament.
and the introduction of temporary contracts in the name of efficiency have also somehow allowed for increased levels of political patronage. All these constraints to policy transfer attest to a prevailing political culture that has negatively shaped the bureaucratic system in a way in which political affiliation is assumed as a ‘prerogative’ for access to the bureaucracy thus leading to a general distrust in the Albanian public institutions. On the plus side, the findings revealed that in the same way that international aid has positively influenced the separation of politics from administration, the small, conservative, paternalist nature of Albanian society, as characteristic to the ‘national culture’ of the context (Page 2000, Evans 2009, Benson & Jordan 2011) has somehow ‘abated’ the adverse effects of politicization.

In line with the discussion on reform doctrines and in particular, Pollitt and Bouckaert’s (2004, 2011) characterization of Reschtstaat vs. public interest administrative cultures (Chapter Three), the emphasis on the administrative law (CSL), a reform based on ‘impartiality, meritocracy and professionalization’ and the orientation towards ENA-type administrative capacity building may as well posit the case of Albania as identifying with a Reschtstaat administrative culture. A holistic interpretation of the above might suggest that Albania is likely to favour a Weberian model of PA in the future or, reinforcing the arguments in the literature, adopt the hybrid NWS model, as is the case in most post-communist states of CEE (Archmann 2009). Yet, the empirical findings reveal a serious gap between the rhetoric and actual implementation of administrative reform based on either NPM or ‘the Weberian model of PA as bête noire of NPM’ (Dreschler 2005: 94).

The above is clearly manifested in the criticism of the EU about lack of progress in the implementation of administrative reform in Albania especially in recent years. Challenging attempts to characterize the Albanian context as fitting within certain international reform doctrines, the research argues the former hardly fits any of them. In fact, it illustrates how governing elites, through their façade commitment to both implementation of aid-supported administrative and compliance with global aid mechanisms, have modified the transfer process, in attempts to secure their political position. This is indeed an unintended consequence of policy transfer through international aid. On the plus side, the all-encompassing support for EU accession, considered by scholars as a reform facilitator (Elbasani 2009) despite concerns about the awareness of requirements of the process, as

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191 The re-posting of the HRM department and introduction of temporary contracts can be interpreted as signals of an administrative reform based on NPM principles (See also 8.5)
192 See fn 173
193 See 9.4 for a more detailed discussion
the findings of this research study revealed, might be interpreted as a positive characteristic of the ‘culture’ of the national context.

9.2.3.2 Transfer through policy learning: constraints and facilitators

As argued in the literature, there is more to the subtleties of how the politico-administrative context can alter policy transfer than is assumed by international reform doctrines or the ‘Rechstaat to public interest’ distinction (Pollitt and Bouckaert 2004, 2011; Common and Gheorge 2011). While recognizing that such a context draws on both political and national cultures (ibid), this research challenges the strand of literature which focuses on organizational myths, rituals and tradition as a way of understanding ‘administrative culture’ mostly in developed country contexts (Hood 1998, Schedler and Proeller 2007, Painter and Peters 2010). While the multi-level approach to analysing political culture is helpful, the study suggests that, in developing and transitional country contexts where aid organizations are key transferors, ‘administrative culture’ can be best understood through variables explaining the interaction between the key policy actors, aid organizations and bureaucrats, in policy learning (Dolowitz and Marsh 1996, Common 1998, Evans and Davies 1999). Thus, the study has attempted to identify such variables in the Albanian context. This is precisely considered to be its contribution to the literature on administrative culture194.

Through an analysis of aid-supported capacity building programmes, the findings revealed that, as far as the administrative culture is concerned, a number of variables have constrained the role of international aid. Specifically, the high staff turnover (a result of politicization); frequent re-structuring of ministries; centralization of the training function; conformist, passive and ‘know-it-all’ rather than proactive attitudes towards training and a hierarchical- or clan-based organizational culture within the administration have hampered the aid-supported policy learning. From a donor governance perspective (Riddell 2007, Easterly 2010), the research identified ‘mixed messages’ in terms of the feedback provided by separate divisions of certain donors as an emerging variable, which may negatively affect the interaction between aid organizations and bureaucrats in the policy learning. Finally, the presence of ‘strong’ informal ‘donor-beneficiary-contractor’ networks, a weak civil society and an opportunistic NGO sector, as characteristics of the Albanian national context, are constraints which can limit aid absorption. Most dangerously, their presence in the

194 See also 8.3
Albanian context is an attestation to the ability of the context to not only modify the policy transfer process but even affect donor behaviour.

9.2.3.3 Externally versus internally motivated nature of reform

Overall, the interpretation of this thesis, based on an analysis of the primary data collected and the available secondary data, is that the externally motivated nature of administrative reform with very few indigenous elements can be somewhat linked to its perceived failure. This corroborates one of the original assumptions based on the theoretical argument that Albania figures as one of those post-communist cases where much of the pressure and impetus for reform has come mostly from donor organizations that want to impose their concept of ‘good governance’ rather than from its government lacking domestic ownership of the process (Peters 1998, Verheijen 2003, Elbasani 2009). As such, the study provided sufficient evidence of the role of two specific initiatives, SIGMA (OECD/EU) and PAR (the WB) in policy learning, which appears to be confined to drafting and improving regulatory frameworks around civil service management over the last two decades.

The research also challenges the claim that TIPA (Training Institute of Public Administration) is the only domestic capacity-building agency as the evidence suggests that it has been set up with UNDP funds and consistently supported by the EU especially in strategy development. In the same way that international aid policies and programmes have been supporting EU accession processes rather than domestic development, institutions and mechanisms of aid have been supporting capacity building for broader public sector reform. A vivid example of their support is the MDTF, set up under the auspices of the WB to support the NSDI and operationalize the IPS (see 9.2.2.1.) The research was, however, able to identify isolated internal capacity-building initiatives such as the GoA’s contribution towards the Regional School of Public Administration (ReSPA) and future plans to establish its own School of Public Administration modelled after ENA by 2013\(^{195}\). The Directorate General for Enlargement of the EC, which itself ‘carries significant elements of the Rechtsstaat model’ (Pollitt & Bouckaert 2011, 47-74) (see 9.2.1.3), appears to be the lead supporter of those initiatives. To re-iterate, despite signs of the adoption of NPM-type reforms in mid-2000s, this coupled with the preference for the administrative law in administrative reform implementation (see 8.5) is indicative Albania’s orientation towards a Rechtstaat culture state (ibid) in the future.

\(^{195}\) Ecole Nationale d’Administration (also fn 154 & 173)
9.2.3.4 EU-Albania relations: conditionality resulting in complacency

The research has also attempted to interpret the dynamics of administrative reform and capacity building in Albania through the lens of the EU accession politics and implementation of *acquis communautaire*. Reinforcing the arguable shortcoming of Europeanization as a strand of policy transfer in that it does not adequately address contextual factors leading to non-transfer (Börzel 2003, Papadimitriou and Phinnemore 2004), the findings speak to underlying issues in the gap between the rhetoric and implementation of administrative reform emphasized in the literature (Pollitt and Bouckaert 2011). Drawing on the assumptions of the policy transfer framework and to some extent, those underpinning the Europeanization theory, the study sought to look more closely at the engagement of motivations of domestic policy actors (Dolowitz and Marsh 1996, Common 1998) with the EU accession processes in the Albanian context. The analysis has explored the extent to which policy mechanisms the EU uses to incentivize them, produces results that may either benefit or create problems for administrative reform. Thus, in the light of recent assessments by the EU clearly criticising the lack of progress in administrative reform as a key conditionality for EU accession while significantly reducing its funding support to the area, the research argues against the benefits of policy incentives as related to EU conditionality (Radaelli 2003, Hoffmann 2005, O’Brennan & Gassie 2009). As the findings revealed, the use of policy incentives has also produced unintended consequences for administrative reform in the Albania context\(^\text{196}\). While the EU’s scepticism towards Albania’s accession persists, this thesis argues that its conditionality mechanisms have led to complacency in governing elites, demonstrated in a silent acceptance of administrative reform and capacity building being a ‘national matter’, which may have negative repercussions for its implementation in the long run and may indeed become a key reason for the country’s likely failure to join EU.

9.2.3.5 Summary: Reasons for the (perceived) failure of administrative reform and non-transfer towards policy learning

Overall, based on the arguments of the literature highlighting the advantage of policy transfer in explaining policy failure (James and Lodge 2003; Benson and Jordan 2011), the interpretation of this study is that the adversarial and polarized political culture characterizing the Albanian national context has been able to not just modify, but even

\(^{196}\) I refer to the invitation to the GoA to join the SAA (2006) and especially, the admission into the Schengen area (2010). See also 8.4.2
block the transfer process to the benefit of the political interests of governing elites. The analysis of the case of Albania may be taken to argue in favour of a sharp shift in the trajectory of reforms supported by international aid in developing, transitional countries or, in other words, unintended consequences of international aid behind those doctrines (Stubbs 2005, Ackerman-Rose 2007)\(^{197}\). However, in line with the Dolowitz and Marsh (1996) continuum, while transfer in the Albanian context has certainly not been voluntary, the data from interviews do not support the argument that it has been coercive either. However, it is has been considerably externally motivated which, in the views of research participants, has somewhat contributed to its perceived failure. Besides, hierarchical/clan-based organizations, passive attitudes towards training and 'strong' informal networks have undermined aid absorption thus contributing to non-transfer towards policy learning.

The study has also attempted to explain the gap between the rhetoric and actual implementation of administrative reform. Thus, despite the acceptance of a commitment to reform as well as the conditionality mechanisms for accession into the EU and the policy mechanisms it has applied to incentivize the process (see 9.2.3.4), the study argues that the questionable genuineness in the motivations of the political elite towards reform despite the fully-fledged support for EU integration may have contributed to the reform failure. While technically, the Albanian case would fit somewhere within the ‘obligated’ and ‘conditional’ segment of the transfer continuum (see 3.3.2.4 and 8.4.3), in reality, as the findings revealed, the dynamics may have led to a complacent relationship between the EU and Albania. As discussed earlier, the ‘silent’ abandonment of the administrative reform component of international aid coupled with the extremely polarized political culture may contribute to the likely ruling out of the EU candidate status which countries like Albania aspire to in the coming years.

### 9.3 Challenging the literature

In efforts to analyse the degree of adoption and the success of the NPM model, the very limited literature on public service reform in countries like Albania tends to describe the latter among those CEE states which, as ‘NPM laggards’, have chosen to adopt another modernization model, the NWS (Archmann 2009, Cepiku and Mitetelu 2009). While it has been recognized that ‘East European scholars have only recently begun to debate how far the NWS could serve as model for the construction of their post-communist

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\(^{197}\) See discussion on reform trajectories in 3.4.4 (Chapter 3)
administrations’ (Politt & Bouckaert 2011: 119), the interpretation of this thesis is, without claiming an outright rejection of the above, is that to describe Albania as a NWS case would be, to say the least of it, an overstatement.

By way of re-iteration, a key finding of the research is that the incumbent political elites have used international aid-supported reform doctrines for their own political ends. Thus, through examples of temporary contracts and minimization of key institutions responsible for administrative reform implementation in the name of efficiency, this research argues that increased levels of politicization and patronage in the public service demonstrated some of the unintended consequences of the implementation of reform doctrines such as NPM\(^\text{198}\). In hindsight, despite the re-affirmation of the role of the administrative law (CLS) emphasized in Weberianism or as is claimed in the NWS model (Lynn 2008; Pollitt and Bouckeart 2011), the findings revealed that, in the Albanian context, there is a serious dichotomy between the rhetoric and actual implementation of key principles of a traditional bureaucracy embraced by both doctrines\(^\text{199}\). Those, as Pollitt and Bouckeart (2004: 71) point out, include ‘meritocracy, career-based civil management and specialization of the HR function’ especially as related to training as a key approach to capacity building, which clearly is a shortcoming in the Albanian context. Besides, despite the orientation towards ‘modernization of law for achievement of results’ (ibid, 119), a vantage point of the NWS vs. Weberianism, the findings confirmed that the real ‘result’ in the Albanian context has been disappointing: an increased sense of distrust in the bureaucracy and public institutions. Thus, in the light of the above, the interpretation of this thesis reinforces the views of the literature, claiming that, without clear(er) signs of the ability of the state to adopt Weberianism, the discourse about NPM or NWS is perhaps pointless.

Most significantly, the study has sought to make a contribution to policy transfer literature, which predominantly focuses on policy-oriented learning in industrialized countries, the UK, the USA, Australia, New Zealand and Canada (Peters and Pierre 2001, 2004; Evans 2009). However, in-depth case studies from the developing world are still lacking. Besides, the argument of this thesis is that, as far as the Albanian context is concerned, scholarly work on Europeanization, as a strand within the policy transfer domain, which this research also draws on, is not only limited but it has been purely based on desk research.

\(^{198}\) See 8.5 (Concluding Thoughts) in Chapter 8
\(^{199}\) See also the discussion on the distinction between Rechtstaat and public interest cultures under 9.2.3.1
Thus, the research makes a contribution on two fronts. First, in using primary data for analysing the national, politico-administrative context, it contributes to policy transfer methodology. Secondly, going beyond interpretations related to EU processes and mechanisms, it suggests variables related to the interaction between aid agencies and bureaucrats as well as motivations of political actors in the process. In doing so, it contributes to the Europeanization theory per se, which has been criticized for missing out on contextual challenges leading to failure in explaining non-transfer towards administrative reform (Papadimitriou and Phinnemore 2004, Common & Gheorghe 2011).

In essence, the originally and novelty of this research study lie in the following:

i) First, unlike most scholarly papers on administrative reform and capacity building in Albania based on desk research and secondary data, this thesis bases its findings through an analysis of primary data collected via elite interviews and focus groups with an all-encompassing group of research participants. Those included: a) public servants; b) donor officers; c) NGO/civil society activists, and d) independent capacity-building consultants;

ii) Secondly, the research recognizes the presence of and attempts to identify variables that speak to underlying contextual issues in transfer towards policy learning, which the academic literature on the adoption of reform doctrines in transitional countries is still vague about. Thus, through those variables, the thesis attempts to explain the gap between the rhetoric and actual implementation of administrative reform, which donor reports (by the EU and OECD) and GoA publications do not adequately explain or are silent about;

iii) Thirdly, through an analysis of the ‘national context’ of a transitional country, the study has illustrated how transfer can be concretely modified by the context. In doing so, the study has taken the discussion on the dynamics and degrees of policy transfer a step further, thereby placing the ‘case of Albania’ between the conditional and obligated segment of the original spectrum. Thus, this Ph.D.

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200 Radaelli (2003) defines Europeanization as focusing on processes of construction, diffusion and institutionalization of EU policy and politics (See 3.4.3)
201 I refer to the discussion earlier on the adoption of NWS in C/SEE states (see also 3.4.2)
thesis has made a contribution to further development of the conceptual framework and to the policy transfer literature in developing countries overall.

9.4 Contribution to policy-making

Throughout this thesis, it has been emphasized that the focus of the study was to investigate the ‘process’ rather than the ‘outcomes’ of international aid in relation to one sphere, administrative reform and capacity building, without making claims about the role of aid in the overall democratization processes in post-communist Albania. To recapitulate the discussion in Chapter Two, the development establishment indeed offers a variety of technocratic, RBM frameworks for assessing the outcomes of aid-supported capacity building programmes in all sectors supported by aid in Albania and elsewhere. However, the research findings might have certain implications for research and policy-making on country, regional and even global levels. Indeed, as suggested in Chapter One, although ‘science policy research and analysis is criticized for having limited policy relevance, it still can be an important source of information for policy analysts and decision makers’ (Vaughan and Buss 1998: xi). The research study has contributed on this front as well.

Thus, the reality of Albania (and perhaps the SEE) reveals that the field is dominated by EU/OECD official reports and ambitious national government strategies surrounding the objective of compliance with the *aquis communautaire* and/or very much focused on the improvement of the infrastructure without a clear policy towards capacity building. A senior donor officer interviewed described the latter as ‘a buzz word’ to please some of the donors but seldom owned by beneficiaries who respond to donors’ efforts to introduce development concepts and best practice with resistance considering the latter as something for Africa but not for the region (D14). Meanwhile, as scholars in the region are only recently engaging in rather small academic circles debating the applicability of reform doctrines for the reconstruction of post-communist administrations (Pollitt and Bouckaert 2011), references to the implications of capacity building for administrative reform are still vague. Therefore, despite the research orientation of this study, its findings could still serve as policy recommendations that might benefit improvements in aid-supported policy towards capacity development on country and regional levels.
Thus, through a borderline approach (that is, one which combines presentation of research findings with policy recommendations), this thesis suggests the following in terms of improvements in aid policy towards capacity development in the context:

- Training needs to be integrated into the wider capacity development action plans rather than as a stand-alone form of assistance. As such, it should be part of comprehensive institutional and individual human resource development and careers plans for bureaucrats (public servants) and contribute to public administration reform strategies.

- Training should be needs-based, practice-oriented and should include more elements of coaching as well as professional peer and South-South knowledge exchange. Overlapping training offers by various donors should be avoided.

- Through participatory and inclusive M&E processes, donors should promote the learning of beneficiaries in regard to the impact of aid-supported capacity development programmes; bureaucrats should act as facilitators and be trained to be able to engage in the process.

- Donors should promote capacity building of human resources in the public sector rather than general government capacity building for management of EU integration processes and compliance with global aid effectiveness and coordination mechanisms.

- Both donors and public servants should engage in more intensive policy dialogue with senior policy-makers to highlight the relevance and benefits of capacity development and ensure that it is part of a national development strategy (not necessary confined to EU accession) rather than it (capacity development) being the domain of international aid-supported policies and programmes.

- Donors should move away from supporting any infrastructure interventions without capacity-building elements to ensure sustainability of their development policies and programmes.
• Donors should promote the role of and engage more directly with CSOs supporting capacity development to ensure that public institutions are held accountable for upgrading their capacities in order to ensure provision of proper services to citizens.

• Donors need to engage more directly with domestic reform and capacity development institutions (such as DoPA and TIPA) to ensure a more effective and sustainable transfer of knowledge, thus avoiding over-reliance on NGOs as ‘implementation partners’.

• Overall, the donor community should understand the dimensions of a national context characterized by political polarization and a hierarchy-, clan-based administrative culture as in the case of Albania in order to set realistic goals for capacity development.

9.5 Areas for future research

In addition to its contribution to theory and policy-making, it is believed that this thesis may as well make a contribution to research in a number of areas including the following:

Policy transfer research in developing countries

This thesis has examined the dynamics of policy transfer from aid organizations towards administrative reform and capacity building in the context of a developing and transitional country such as Albania. While the literature to date has clearly focused on policy transfer processes among developed countries, the study has confirmed both the salience of the national politico-administrative context as essential to the success or failure of policy transfer as well as its limitations in the developing world (Rose 1995, Common 1998, Evans 2004). Empirical observations from similar research on policy transfer in transitional, post-communist societies such as Ukraine and Romania have indeed demonstrated limits to policy transfer such as community legacy and resource dependency (Evans and Ivanova 2004, Common and Gheorghe 2011). The analysis of aid-supported administrative reform and capacity building in Albania suggests that a national context, characterized by a persistent adversarial and polarized political culture, hierarchy/clan-based institutions and a weak/opportunistic NGO sector, possesses an ‘ability’ to not only
modify transfer but also even block it and affect donor behaviour. By illustrating the limitations of policy transfer in transitional societies contributing to non-transfer, the lessons learned from the case of Albania may serve as a contribution to the current limited research on policy transfer in developing countries and future research in this area.

*Global aid impact assessment*

The thesis has also explored the role and implications of global institutions and mechanisms of aid for domestic reform and governance in the research context (Albania). It has concluded that while international aid has contributed to portraying Albania as ‘success story’ in terms of compliance with global aid coordination and effectiveness, this does not necessarily hold true for an essential sector such as public administration. Thus, despite the positive role of aid in the enhancement of general administrative capacities, tailored to management of global aid mechanisms, the emphasis on aid coordination may have also had negative implications in terms of contributing to superseding national institutions and minimization of the role of domestic institutions responsible for administrative reform implementation.

As the debates among circles of researchers and academics on today’s aid effectiveness mechanisms are fairly recent and empirical research rather limited, the findings from the case of Albania indeed resonate with those from the very limited case studies on a global level. For example, the proposition from the Cambodia survey of 2005 (see 2.2.4), that aid effectiveness may have been hijacked by aid coordination often leading to coordination fatigue and information overload (Blunt and Samneang 2005, Booth 2010, Blunt et al 2011), is also supported by interviews and focus groups in this case study. Most significantly, the evidence from this qualitative case study suggests that compliance with the global ‘aid effectiveness agenda’ is more about ‘aid coordination’ and as such, it may give a false sense of ‘aid effectiveness’ per se. Most importantly, this thesis suggests that while institutions/mechanisms of transfer promoted by the OECD have not moved much beyond quantitative assessments of the role of aid, there is much more scope for qualitative impact assessments. This is an area worthy of research in the future as is perhaps the engagement of global aid effectiveness institutions – rather than individual aid organisations – in policy transfer to the developing world.
Cross-country comparative analysis

Finally, this thesis highlights challenges in the application of EU conditionality instruments and their implications for administrative reform and capacity development in Albania. However, drawing on the theoretical debate on the insufficiency of the instrument in the SEE (Hoffman 2005, Petersen 2010) and the findings of this research, there is scope for comparative analysis between dynamics of administrative reform in individual countries in the region, such as Albania, Romania and Croatia, obviously producing different results in relation to the EU accession process. On the one hand, it can be argued the case of Albania shares similarities with Romania and Croatia where administrative reform is hindered by politicization reflected in the use of bureaucracy to consolidate elite political power as well as a preference for regulatory frameworks and reform by design (Verheijen 2007, Kopric 2009, Common and Gheorghe 2011). On the other hand, unlike Romania and Croatia, which arguably are moving towards a Weberian bureaucracy model despite their degree of politicization and communist legacies (ibid), it appears that the case of Albania is slightly different. This thesis argues that, despite the incumbent elite’s attempts to appear somewhat more ‘managerialist’, compared to Romania and Croatia, administrative reform in Albania has become ‘hostage’ to adversarial and polarized politics. Therefore, while agreeing with the argument that the adoption of administrative reform doctrines in the SEE is somewhat overstated (ibid), future research could be extended to comparative analysis between SEE countries as regards the implications of their contextual differences in administrative reform implementation for the EU accession process.

9.6 Limitations of the study

Despite efforts to ensure quality of research, balances of perspectives and compliance with ethical standards, certain limitations of this study, mostly its methodological approach, must also be noted. However, these limitations per se, which are recognized by the researcher himself, are seen as potential ones rather than weaknesses of a thesis of this scope and length.

To begin with, the purely qualitative methodology that this study adopts, for instance, has been criticized for a certain level of subjectivity (see Chapter Four) of which readers should

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202 Albania is a ‘potential EU candidate’ since 2006 whereas Romania became an EU member in 2007 and Croatia is an acceding country scheduled to join the EU in July 2013
be aware of. Besides, irrespective of claims towards generalizability and replicability advantages of the case study method used and the possibility of application of research findings towards policy learning on regional and levels, this single case study still might still be described as essentially an ‘Albanian story’ in terms of the interaction between international aid and administrative capacity building. Irrespectively of the potential of the dissemination of the research results in the Albanian context, it hardly can be claimed that the results bear significant relevance for other countries in the region. Besides, despite the fact that most of the planned research activities were carried out successfully, this is a study conducted by a PhD research student rather than a consultant or major research institutions and resources used were relatively limited.

From a reflexivity viewpoint, as described in both the introductory and research methodology chapters, the researcher being both an insider and outsider in the research context had, in addition to its advantages (see Chapter Four), certain potential limitations. These limitations, including the researcher's in-depth familiarity with the research environment, prior involvement with the capacity-building activities in the NGOs sector and a likely tendency towards opinionated perceptions of the research environment, have thrown up certain practical and ethical dilemmas, which might have affected the process of negotiating the researcher's position in the research setting.

Nonetheless, as discussed in Chapter Four, all efforts were made to ensure that the validity of the data gathered is confirmed by means of both multiplicity of sources and rigorous triangulation. Those efforts resulted is satisfactorily minimizing the possible impact of such limitations on the overall quality of the research study.

9.7 Recapitulation

This research thesis has explored the interaction between two traditionally distinct areas of study, international aid and public service reform and capacity development. This has been done through the use of an adapted Dolowitz and Marsh (1996, 2000) policy transfer conceptual framework and, to a certain extent, by drawing on the Europeanization theory as a strand within the policy transfer domain. The assumptions of the framework(s) have been instrumental in cohesively studying the synergy between the two key research variables in the context of post-communist Albania from a ‘process’ rather than ‘outcomes’ angle thus both challenging and adding value to the technocratic, results-based
management frameworks used by international aid organisations, such as the OECD, in the assessment of the role and impact of international aid in the given sector and context.

Overall, this research study has reinforced the notion that policy transfer in developing, transitional societies only goes a certain way (Common 1998). On the one hand, drawing on the literature on aid (Riddell 1987, Lancaster 2007, Easterly 2010), it has illustrated the controversial and paradoxical nature of international aid, respectively reflected through: a) clashes between the ‘career’ and ‘managerialist’ approach to administrative reform (as was the case of the late 1990s to early/mid-2000s); b) its emphasis on administrative capacity building while Albania, as a potential EU candidate country, is currently not eligible for EU assistance towards public sector HRM (IPA 2009). On the other hand, it has demonstrated that the national context has the ability to modify and block the transfer process ‘creatively’ thus leading to unintended consequences in both reform trajectories and delivery of aid from international (aid) organizations to transitional societies. More specifically, the policy transfer process, as evidence from the case of administrative reform and capacity building in Albania suggests, may be ‘captured’ by an adversarial and polarized political culture of the national context and eventually lead to non-transfer. Most interestingly, in an environment characterized by hierarchy or clan-based organisations, ‘strong’ donor-bureaucrat-beneficiary informal networks and an opportunistic and passive NGO sector, the context even has the capacity to affect donor behaviour.

The thesis also challenges the vague and superficial interpretations of the literature attempting to locate Albania among countries adopting the hybrid NWS model of public administration (Archmann 2009, Cepiku and Mititelu 2009, Pollitt and Bouckaert 2011). Its interpretation is in agreement with claims that those attempts represent an overstatement on the part of both Western and East European scholars of public administration (ibid). In fact, in this thesis, it is argued that, while the case of Albania hardly fits any international reform doctrines, the discourse of the applicability of NPM, despite ‘signals-to-noise’ with regard to efficiency and downsizing (Drechsler 2005, Evans 2009), makes little sense especially in a context where the application of a more traditional Weberian model of PA per se has arguably failed. Recognizing the limitations of the Europeanization school of thought, which has been criticized for missing out on the specific contexts of C/SEE, especially regarding transfer towards administrative reform (Papadimitriou and Phinnemore 2004), the study takes the discourse to a different level. It argues that, when clustered with the politics of the EU accession reflected through the use of the conditionality instruments
and policy incentives for governing elites, such as membership of aid organisation and visa liberalisation, the result may lead to complacency in governing elites at the cost of long-term reform and capacity building as a tool for effective development.

Such complacency might perhaps explain the dichotomy between the rhetoric and actual implementation of administrative reform discussed in the literature (Pollitt and Bouckaert 2004, 2011). It may also be construed as a ‘silent’ abandonment of the administrative reform and capacity building component of international aid as a ‘national matter’. The EU accession driving the motivation of domestic policy actors to engage in transfer despite their facade commitment to administrative reform coupled with the externally motivated nature of reform suggests that transfer in the Albanian case has been neither voluntary nor coercive. In fact, it would fit somewhere between ‘obligated’ and ‘conditional’ transfer continuum. Therefore, the study has modestly contributed to the further development of the original Dolowitz and Marsh (1996) policy transfer framework per se.

In essence, this thesis has reinforced the controversial and ambiguous nature of aid policy by demonstrating that when focused on regulatory frameworks and clustered with political processes such as EU accession, the policy learning it supports may occur but transfer per se may not be the outcome. However, as evidence from case of administrative reform and capacity building in Albania suggests, the root cause for the non-transfer is the national context characterized by an adversarial and polarized political culture, in which governing elites have attempted to use aid to their advantage at the cost of the blockage of policy transfer. These dynamics may indeed contribute to the likely ruling out of the EU candidate status as a key long-term development goal, which countries like Albania aspire to.
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Appendix 1 – INTERVIEW QUESTIONS/SCHEDULE
[Sample 1: Public Servants]

I am very grateful to you for agreeing to take part in this research project, which I hope will be of benefit to the Albanian public service and its stakeholders including the citizens you serve as well as donors and NGOs you work with.

Here are the main question areas that I would like to cover in the interview:

1) Basic information re. interviewee
   a. The position of the interviewee within the organisation. [Note to interviewer: job specification, areas of responsibility, length of service, etc.]
   b. Introduction and history of the organization [Note to interviewers: origins, structure, reporting relationships, etc.]

2) General Overview: Politics of civil service reform and EU integration
   a. How have the public service reform programs and initiatives have influenced the process of Albania’s integration into EU in the last 5-10 years? (Si kanë ndikuar perpjekjet/programet e reformimit te adm. publike/sherbimit civil ne Shqiperi ne proceset e integrimit te vendit ne 5-10 vitet e fundit?)

   b. In your opinion, what has been the relationship between externally versus internally motivated civil service reforms in Albania in the last decade? (Cili do të ishte, sipas opinionit tuaj, raporti mes reformave te nxitur nga jashte dhe atyre te iniciuara nga qeveria shqipetare ne dekaden e fundit?)

   c. To what extent has reform focused on human resources management functions in Albanian public institutions and what functions of HRM has it affected mostly? (Cfare vendi ka zene menaxhimi i burimeve njerezore ne reformimin e administrates publike dhe cilat aspekte ka prekur me shume kjo reforme?)
3) **HRM in an institutional context**

   a. *How and to what extent has reform affected specific areas of HRM, e.g. recruitment and training in your institution/Ministry?*  
   *(Si dhe sa ka ndikuar reforma e administrates publike ne aspekte te caktuara te burimeve njerezore si rekrutimi dhe trainimi ne institucionin tuaj?)*

   b. *Please describe the functions of the HRM (Personnel Office) in your Ministry?*  
   *(Ju lutem pershkruani funksionet e Zyres se Personelit ne Ministrine tuaj?)*

   c. *Has your institution/Ministry developed internal organizational development plans for its staff?*  
   *(A ka institucion apo Ministria juaj plane per zhvillimin profesional dhe organizativ te nepunesve te sherbimit civil?)*

   d. *If yes, what ‘capacity building’ activities do these plans include and what levels of staff do they extend to?*  
   *(Cfare forma zhvillim kapacitetesh perfshijne keto plane dhe cilet nivele administrative mbulojne?)*

   e. *Is there a structure (at central government level) responsible for training and development of civil service employees and if such a structure exists, how is the cooperation between such structure and your Ministry?*  
   *(A ekziston nje njesi – ne nivel qendror apo ministerial – perqegjese per trainimin dhe zhvillimin profesional te punonjeve civile dhe nqs nje njesi e tille ekziston, si eshte bashkepunimi mes Ministrise suaj dhe asaj strukture?)*
4. International organizations and public service capacity building

a. Which international organizations/donors have provided TA (through capacity building projects) to your institution in what areas in the last 5-10 years?

(Cilat institucione/donatore i kane ofruar asistence teknike Ministrise suaj dhe ne cilat fusha gjate 5-10 viteve te fundit?)

b. Has your institution and the Personnel Office been consulted in designing and implementation of the donor-supported CB initiatives and to what extent?

(A eshte konsultuar institucioni juaj dhe zyra e burimeve njerezore ne hartimin dhe zbatimin e programeve te donatoreve te huaj dhe deri ne c’mase?)

c. In your opinion, have the capacity building projects supported by international organizations responded to the needs of your institutions for capacity development and how have they affected the performance of your institution?

(Sipas mendimit tuaj, a i eshte pergjigjur asistenca teknike e huaj nevojave te institucionit per zhvillimin kapacitetesh dhe si ka ndikuar ajo ne rritjen e eficences organizative te institucionit tuaj?)

d. What have been the limitations of aid-supported technical assistance and capacity building projects in your institutions?

(Cilat jane mangesite e projekteve te asistences teknike per zhvillim kapacitetesh te ofruar nga donaret ndaj institucionit tuaj?)

e. What improvements would you suggest in order to maximize the impact of aid-supported projects on long-term capacity development and improved institutional performance for your Ministry?

(Cilat jane sugjerimet tuaja per te rritur ne menyre maksimale ndikimin e projekteve te donatoreve ne perfitim te rritjes se eficenses dhe zhvillimit te kapaciteve te Ministrise suaj si institucion publik?)

Tirana, ________________  Interviewer/Intervistues: Artan Karini
Appendix 1 – INTERVIEW QUESTIONS/SCHEDULE

[Sample 2: NGOs/CSOs/think-thanks]

I am very grateful to you for agreeing to take part in this research project, which I hope will be of benefit to the Albanian public service and its stakeholders including the citizens it serves as well as donors and NGOs it works with.

Here are the main question areas that I would like to cover in the interview:

1) **Basic information re. interviewee**

   a. The position of the interviewee within the organisation. [*Note to interviewer: job specification, areas of responsibility, length of service, etc.*]

   b. Introduction and history of the organization [*Note to interviewers: origins, history structure, etc.*]

2) **General Overview:**

   a. What are the mission/vision/goals and target group(s) of your organization?
   
   *(Pershkruani misionin/vizionin/qellimet grupet perfitues te organizates suaj)*

   b. What are the main projects/activities of the organization as regards your involvement in capacity building/development of the public sector? *(Cilat jane aktivitetet e organizates ne kuader te angazhimit ne ngritjen e kapaciteteve te sektorit public?)*

   c. How does the process of identifying intervention areas and beneficiaries (local and/or central gov’t structures) work in your project development and planning? *(Si funksionon procesi i identifikimit te fushave te asistences dhe perfituese ne kuadrin e hartimit dhe planifikimit te projekteve ne organizaten tuaj?)*
3) **Relationship to stakeholders (public sector/service as beneficiary)**

a. *How/to what extent does your organization involve/consult its (public sector) beneficiaries in developing, planning and executing its projects and activities?*  
(Si dhe ne c’mase i perfshin/konsultohet organizata juaj me perfituesit nga sektori publik ne procesin e hartimit, planifikimit dhe zbatimit te projekteve)?

b. Please provide example of projects that your organization has carried out benefiting the capacity development of the public sector in the last few years?  
(Ju lutem, jepni shembuj te projekteve/aktiviteteve qe organizata juaj ka zbatuar per rritjen e kapaciteteve te sektorit publik (sherbimeve) ne 5-10 vjetet e fundit)

c. *How is the impact of your organization’s projects/activities benefiting public sector (services) evaluated? Is the evaluation internal or external (or both?) and to what are the beneficiaries involved in the process?*  
(Si matet impakti i i projekteve tuaja ndaj sektorit publik/sherbimeve si perfittues? A eshte ky vleresim i brendshem apo i jashtem (apo i brendshem dhe i jashtem?) dhe sa pershihen grupet perfittuese (nga sektori/sherbimet publik(e) ne process?)
4) Relationship with the donor community and aid effectiveness structures

b. What are some of your organization's (external) donors? How do such donors support initiatives (proposals/programs/projects) in order improve the capacities of public servants in Albania through your organization?
(Cilet jane disa prej donatoreve tuaj (te huaj) dhe ne cfare mase keta donatore mbeshtesin projekte apo iniciativa qe kane te bejne me rritjen e kapaciteve te sektorit dhe sherbimeve publike ne Shqiperi nepermjet organizates suaj?)

c. What mechanisms and practices do your donors use in evaluating the impact programs/projects they support through your organization?
(C’mekanizma apo praktika perdonin donatorev e organizates tuaj per matjen e impaktit te projekteve qe ata mbeshtesin e qe zbatohen nga organizata juaj?)

c. Does your organization participate in the current donor-government dialogue in Albania (through DSDC, DTS) etc?
(A merr pjese organizata juaj si perfaqesuese e “sektorit te trete” ne dialogun aktual mes qeverise dhe donatoreve qe operojne ne Shqiperi si p.sh. nepermjet angazhimit ne aktivitetet e Dept te Strategjive dhe Koordinimit me Donatoret, Sekretariatit Teknik te Donatoreve, etj.)

d. In your professional opinion as a leading non-profit executive, what are the key issues and limitations with regard to the impact of aid-supported capacity building initiatives benefiting the public sector/services in Albania?
(Sipas mendimit tuaj si lider ne sektorin jo-qeveritar ne Shqiperi, cilat jane disa nga ceshtjet dhe mangesite kryesore persa i perket ndikimit te perpjekjeve te donatoreve per ngritjen e kapaciteteve te sektorit/sherbimeve publik(e) ne Shqiperi)

Tirana, _______________ Interviewer/Intervistues: Artan Karini
Appendix 1 – INTERVIEW QUESTIONS/SCHEDULE

[Sample 3: Donors]

I am very grateful to you for agreeing to take part in this research project, which I hope will be of benefit to the Albanian public service and its stakeholders including the citizens it serves as well as donors and NGOs it works with.

Here are the main question areas that I would like to cover in the interview:

1) Basic information re. interviewee

   a. The position of the interviewee within the organisation. [Note to interviewer: job specification, areas of responsibility, length of service, etc.]

   b. Introduction and history of the organization [Note to interviewer: origins, history structure, etc.]

2) Key Questions

   a. What are strategies/programs that your organization has used to develop the capacities of public institutions (through training, in particular) in Albania?

   b. How does your organization evaluate the impact of its capacity building initiatives on the performance of public institutions they benefit?

   c. What have been the experiences, challenges and obstacles of your organization in the implementation of capacity building initiatives as reflected in their absorption by beneficiaries?

   d. What have been the dynamics of the interaction between your organization and NGOs in the implementation of capacity building projects in Albania?

   e. In your professional opinion, have the aid coordination mechanisms in Albania been effective and to what extent?

Tirana, ________________  Interviewer/Intervistues: Artan Karini
Appendix 2 – GROUP INTERVIEW QUESTIONS [Sample 4]

2) **Basic information re. interviewees**
   
a. Name and position of the interviewees within the organisation

3) **Key areas for discussion**
   
a. The impact of foreign aid and focus of aid effectiveness mechanisms on the development of public service capacities.

b. The relationship(s) between indicators (mechanisms) used to measure aid effectiveness and objectives (agendas) of officials and donors

c. The role/impact of DAC and non-DAC aid provided directly to NGOs for public service capacity development projects

d. Capacity building projects supported by international organizations in relation to domestic needs of public institutions for capacity development

e. The key limitations and issues of aid-supported public service capacity building interventions as well as ‘aid effectiveness and coordination’ in Albania?

Tirana, _______________ Facilitator/Moderues: Artan Karini
December 1, 2010

Dear Sir or Madam

MR ARTAN KARINI: LETTER OF ENDORSEMENT

I am delighted to introduce Mr. Artan Karini, a Ph.D. candidate at the Institute for Development Policy and Management (IDPM) of The University of Manchester where he is working on his doctoral thesis ‘Aid effectiveness: The case of public service reform and capacity building in Albania’ under my supervision as his principal academic mentor.

Artan came to the University of Manchester after more than ten years of high-level professional experience in HR in a leading Canadian university, and working familiarity with civil society and public sector reform in Albania, a country whose location in the Balkans has a strategic significance and is also of great intellectual interest in terms of its experience of emerging from communism and embarking on reform. Upon successful completion of his continuation review in July 2010 and a short-term tenure as Researcher-in-residence at the Prague Office of the OSCE (Organization for Security and Cooperation in Europe) Secretariat, Artan has already relocated to Albania to complete the fieldwork stage of his research, during which time he will be conducting interviews with development practitioners, public service officers and non-profit activists; focus groups as well as documentary analysis with reference to his research topic as part of a research plan and methodology approved by both our Institute’s Continuation Review Panel and the University's Ethical Approval Committee. Therefore, I will be grateful if you can assist Artan to obtain data for his research thesis, which to the best of my knowledge is the first PhD thesis to focus on this matter of policy concern.

I hope I have given you the information you need, but I will be very happy to provide any additional material that you may require. I would like to thank you in advance for your assistance.

Yours faithfully,

(Dr) Willy McCourt
Reader
Institute for Development Policy and Management
May 4, 2011

Mr. Roberto Gismondi  
Team leader  
EU Project "Alignment of Albanian Statistics with the EU Standards"  
INSTAT - Bld Zhan d'Arc, Nr. 3, Room 409, Tirana, Albania

Dear Mr. Gismondi:

I would like to thank you for your participation in my doctoral research project being conducted through the Institute for Development Policy and Management (IDPM) of the University of Manchester, Manchester, UK.

With your consent and in compliance with my University’s research ethics regulations, I will include your name in the list of interviewees/contributors to the research with the clear understanding that the responses to the interview questions (which would be anonymized) will be treated as your individual ones rather than reflecting the official position of the above-referenced Project’s consortium. If you have any further questions or concerns regarding this, please let me know.

Let me take the opportunity to congratulate you on the contribution of your project activities toward the capacity building of INSTAT as your Project’s Albanian public sector beneficiary.

Sincerely,

Artan Karini, Ph.D. Candidate  
IDPM/SED  
The University of Manchester  
Email: artan.karini@postgrad.manchester.ac.uk  
Skype ID: artan.karini/
Secretary to the Ethics Committee  
Room 2.004 John Owens Building

Tel: 0161 275 2206/2046  
Fax: 0161 275 5697  
Email: timothy.stibbs@manchester.ac.uk

ref: TPCS/ethics/10013

Mr Artan Karini,  
IDPM,  
School of Environment and Development  
Arthur Lewis Building, first floor

25th May 2010

Dear Artan,

Committee on the Ethics of Research on Human Beings  
Karini, McCourt: The impact of foreign aid on public service capacity building in Southeast Europe: case of Albania (ref 10013)

I write to confirm that, following the receipt of a revised information sheet and consent form, your project has been given ethical approval.

This approval is effective for a period of five years and if the project continues beyond that period it must be submitted for review. It is the Committee’s practice to warn investigators that they should not depart from the agreed protocol without seeking the approval of the Committee, as any significant deviation could invalidate the insurance arrangements. We also ask that any information sheet should carry a University logo or other indication of where it came from.

Finally, I would be grateful if you could complete and return the attached form at the end of the project or by May 2011.

We hope the research goes well.

Yours sincerely

[Signature]

Dr T P C Stibbs  
Secretary to the Committee