CHOOSING BETWEEN TOO MANY AND SOME MINISTRIES: Implications of restructuring the Government of Kosovo and the rationale for reducing its organizational scope significantly

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Choosing between too many and some ministries: Implications of Restructuring the Government of Kosovo and the rationale for reducing its organizational scope significantly

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CHOOSING BETWEEN TOO MANY AND SOME MINISTRIES: IMPLICATIONS OF RESTRUCTURING THE GOVERNMENT OF KOSOVO AND THE RATIONALE FOR REDUCING ITS ORGANIZATIONAL SCOPE SIGNIFICANTLY

BACKGROUND

The reduction of the government has long been discussed among political actors and relevant stakeholders. The reduction of the number of ministries has been incorporated in the Draft Law on the Government which was not sent to the parliament for voting. This Draft Law intended to regulate the number of ministries and political advisers as well as areas of responsibilities. At the time being there is no legal measure which can regulate the size of the government. The number of ministries depend on the willingness and the compromises of the political actors - which usually are constructed to satisfy its clientele’s ties. According to the Constitution of the Republic of Kosovo, Article 95, the candidate for Prime Minister should present the composition of the government to the Assembly and asks for approval from the Assembly. In absence of the Law on the Government, per this constitutional competence, former Prime Ministers determined the size of the government based on the premises of their interests and the existing coalition constellations.

In order to better comply with the principles of efficiency, effectiveness and accountability, a well-organized government is of an imperative necessity. Clear horizontal coordination of the government structures and staff allocation within the ministries guarantee the implementation of the government objectives, in particular Public Administration Reform and European Integration process. Moreover, preconditions for the successful reforms entail: ‘good laws, policies, structures and procedures’ which foster accountability and efficiency. That being said, there is a need to strengthen accountability mechanisms between ministries and subordinated bodies.

The recent political history of Kosovo has shown that the high number of ministries were not per definition structured to enhance the functionality and effectiveness of governance. On the contrary, the high number of ministries served to accommodate numerous political parties that were part of the governing coalition. The 23-party PAN coalition under Prime Minister Ramush Haradinaj which formed the government in 2017, represented a fragmented system of social and political cleavages in Kosovo. The government sectors and positions have been created and distributed to secure the loyalty of the numerous political parties, and in order to ensure that the current government remained in power. This kind of cohabitation of a large coalition involved many groups of interest. In this regard, the excessive size of previous governments, especially the latter, indicates low efficiency, high public spending, discoordination of policy entities, and more importantly – a lack of accountability. Also, compared to other countries of the Western Balkans, Kosovo had the highest number of ministries, deputy ministers and political advisers. Notwithstanding, creating a budget for 21 ministries often implies financial burden, institutional

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4 Ibid.
6 Ibid.
overlapping, laws and a large number of employees. Those aspects have had consequences on the organizational manner of the government.

In reference to that, VV and LDK which formed a governing coalition, have reduced the number of ministries from 21 to 15. Despite this there is no structured model yet detailing how this reorganization took place. The rationale behind the 15 ministries in the terms of functionality and the model followed, still is unclear. From what has been proclaimed so far, the number of deputy prime ministers has been reduced from five to two, the number of deputy ministers will be 33 in total. It has been estimated that those changes will save 13 million euros from Kosovo's state budget, for a four-year term. It can be argued that this, among others, was the rationale behind the reduction of the size of the government. Yet this budget-saving analysis does not fill the loopholes regarding government efficiency and functionality. Regarding this, it is important to focus on the policy implications of the reorganization/restructuring of the government, instead of on the principle of the number of the ministries.

Therefore, this policy note examines the implications of downsizing the government of Kosovo based on the electoral promises of two major political forces, Vetevendosje (VV) and Lidhja Demokratike e Kosoves (LDK). In doing so, no argument is made against the reduction of the government, but it should be stated that if the downsizing is not organized well this might have serious consequences regarding the functionality of the government. The restructuring or reforming of the government in itself entails merging, reduction, reallocation of policy powers, and the creation of new ones. In certain cases, this could lead to multifold implications. Hence, this paper outlines two possible models of merging the ministries.

**THE GOVERNMENT WITH 15 MINISTRIES**

The initial promises of VV and LDK were that the government shall not exceed 12 ministries, and there will be maximum two deputy ministers per ministry. As the process of forming the government was accompanied with many disputes between political parties, 15 ministries came as a solution which would neutralize and please all the actors in the governing coalition. Nevertheless, the organizational scope of the government has faced significant change with 15 ministries. However, an important issue which comes to place is the merging or restructuring model which will be used in this matter. It is important to be noted that there was merely any involvement of external actors in compiling the model or the strategy of reorganization.

**Government cabinets 2017 and 2020**

<table>
<thead>
<tr>
<th>No.</th>
<th>Ministries -PAN coalition</th>
<th>Ministries – LVV and LDK coalition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ministry of Foreign Affairs (MFA)</td>
<td>Ministry of Foreign Affairs and Diaspora</td>
</tr>
<tr>
<td>2.</td>
<td>Ministry of Internal Affairs (MIA)</td>
<td>Ministry of Internal Affairs and Public Administration</td>
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</tbody>
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IMPLICATIONS OF SHORTENING THE GOVERNMENT

The ramifications of a substantive cut to 15 ministries will be evident. The budget of each ministry ranged from 2 million to 408 million euros, with a staff size that varied between 52 and 10,558 people. As can be noted, there is a huge discrepancy in budget and staff size between ministries.\(^{12}\) According to the Regulation on the Areas of Administrative Responsibility of the Office

\(^{11}\) Telegrafi (2020). ‘Qeveria Kurti me 15 ministri, lista qe tregon se si u ristrukturuara ato’. Available at: https://telegrafi.com/qeveria-kurti-15-ministria-lista-que-tregon-se-si-u-ristrukturuan-ato/

of the Prime Minister the ministries are among others responsible to plan, monitor, implement, create and manage policies.\textsuperscript{13}

Following from, merging or eliminating some of the ministries would have direct implications on organizational structures, functionality and staff reorganization. Merely anything has been communicated to the public regarding the models of the reorganization of the ministries. Therefore, this paper evaluates two merging models that can impact the government scope of work in a significant manner. These models are as follows: Model A – Simple Merging and Model B – Functional Merging.

\textit{Model A - Simple Merging} or mathematical merging entails fusion of the ministries from one ministry to another. This model neglects the systematic evaluations of the competences, departments, civil servants, legal certainty and agendas. Arguably, ministry A merges with the ministry B in a simplified manner. For instance, if the Ministry of Trade and Industry (MTI)\textsuperscript{14} would be merged with the Ministry of Economic Development (MED)\textsuperscript{15}, this would represent the simple merging model. MTI has nine departments and five agencies while the MED has six departments and three agencies. Only two departments are the same for both ministries, the Legal Department and the department for European Integration and Policy Coordination, while the agencies cover different scopes of work for each ministry. Arguably, a merged ministry of MED and MTI would consist of thirteen departments and eight agencies. As the core responsibilities differ, and departments and agencies cover a specific scope of work, following this simple merging model would generate implications regarding job efficiency and accountability.

Therefore, merging ministries with agendas that are not complementary would have considerable consequences for the functionality of the governance. To this extent, reorganization would affect policymaking and policy implementation. Some of the ministries cannot be merged – or if merged this would have negative implications because some of the departments have a different scope of work than the departments of the other ministry. This model of merging would expand the number of departments within the ministry and would prompt dysfunctionality. Also, if the compatibilities are not organized properly, some of the restructurings of the ministries can disrupt the long-term priorities that have been set through national agendas, as for instance the European integration agenda. Therefore, some of the policymaking powers on various issues and fields cannot be merged, as doing so could affect coordination and effectivity of the governance. Moreover, if some of the crucial agenda’s such as internal affairs, foreign affairs, education and health will be merged with other departments or agenda’s this might have serious implications on the legal, functional and strategic aspects of the state.

Likewise, if the agenda and portfolio of the ministries are not systemized or complementary, another problem that arises is the delegation of the competences to the new staff. That being said, if one ministry is merged with another in accordance with the abovementioned model - it may face resistance from the staff as they would have to add new priorities and possibly change their scope of work. If not rationalized properly, this kind of distribution of staff may cause a loss of human resources and/or efficiency. Merging the staff and non-complementary ministries could result in unutilized capacities.

\textit{Model B - Functional Merging} – The rationale of restructuring the government relies upon the functionality and efficiency it can derive from this process. Consequently, the chosen model implies the effectiveness of the governance. In this regard the Functional Merging model entails a

\textsuperscript{13} Regulation No. 02/2011 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries. Available at http://www.kryeministri-ks.net/repository/docs/Rregullorja_02-2011-e_miratuar_nga_Qeveriafinale.pdf

\textsuperscript{14} Ministry of Trade and Industry, available at: https://mti.rks-gov.net/page.aspx?id=2,41

\textsuperscript{15} Ministry of Economic Development, available at: https://mzhe-ks.net/en/home
through analysis of the scope of work of the ministries, competences, policy powers, agendas, organizational structures and legal certainty. In principle, this model necessitates a systemized restructuring of the governmental organizations. That said, the reduction of the organizational scope of the government takes into scrutiny the departments of each ministry – in order to eliminate policy overlaps.

A functional merging could occur between the Ministry of Finance and the Ministry of Economic Development. The main responsibilities of the Ministry of Finance closely align with those of the Ministry of Economic Development. Reintegration of these two ministries would save Kosovo’s state budget, minimize policy overlap and enhance coordination. Merging these two ministries would be a prudent decision as the Ministry of Economy and Finance was divided in 2011 into the MF and MED. In addition to that, the separation of these ministries caused diffusion of powers and responsibilities relating to economic development. Regarding the organizational scope, MF has nine departments while MED six, whereas MF consists of four agencies, MED consists of three. However, considering the scope of work of both ministries – some of the departments could be restructured, while others may be eliminated. Furthermore, the rationale of merging these ministries relies upon the functionality and effectiveness that would generate such a decision. Consequently, a reintegration of these two ministries would create a single entity responsible for economic development and would enhance accountability.

In reference to that, a functional reorganization posits the necessity to eliminate departments which do not complement with the priorities of the primary merging entity, and which involve a low policy reach. However, any merging, or elimination of certain governmental structures ensures the legality and implications it can generate. In addition to that, a functional merging depicts the importance of compatibility of the government sectors. For instance, agendas and priorities cannot be merged if this can cause disruptions to policy outcomes, or if it can hinder reforms. The restructuring is predicted in a manner that would eliminate the disproportion of the ministries regarding workload, policy powers, staff size and budget. Nevertheless, the reduction of the number of the ministries is a challenge in terms of the reorganizations within ministries.

What can be noted is that implications vary due to the model of the reorganization of the government. Although, almost every model may face some disruptions as a consequence of the reduction, merging or elimination of some of the government organizations. A major implication could for example occur with the systematization of the civil servants. The reduction from 21 to 15 ministries will equally have such inference. In itself, this could entail legal implications for the state, as any civil servant could lose their job due to the reorganization of the government.

Nonetheless, it is evident that the consequences of restructuring the government could generate the re-systematization and reassignment of the civil servants. Regulation for Redundant Civil Servants - hereinafter Regulation NO/08.2012, stipulates the rights of the civil servants in case of any reorganization, closure or merging of an institution with another. According to Articles 4, 5, and 6 of this regulation, a special program for redundant civil servants should be drafted in order to systemize, compensate or find another job place, in accordance with the Civil Service Code of the Republic of Kosovo. Furthermore, according to the Article 7 – Responsibility for

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17 Ministry of Economic Development, available at: https://m2he-ks.net/en/home
20 Regulation No. 08/2012 For Redundant Civil Servants. Available at: https://gzk.rks.gov.net/ActDetail.aspx?ActID=8368
implementing the program for redundant civil servants – the ministry responsible for public administration is obliged to ‘make and manage the register of vacant positions in the Civil Service; reassign redundant civil servants to the equivalent vacant position in Civil Service institutions; and if unable to reassign to an equivalent vacant position, with his/her consent, can reassign him/her to a lower position.’ Consequently, the government is responsible to pay 70% of the basic salary up to a year if the redundant civil servant is not reassigned.

Implications may fluctuate with the reassignments of the managerial/senior level of the civil servants. During the process of the reassignment or appointment of redundant civil servants as per the Regulation NO/08.2012, any institution will choose based on the following criteria: ‘higher qualification; longer work experience; trainings which relates to the respective position.’ According to the Law on the Civil Service “general secretaries and equivalent senior managerial positions shall be selected from a list of Civil Servants classified as such pursuant to the rules on the classification of posts set forth by this law, or equivalent positions in institutions of the public administration.” As per this law the ministry responsible for public administration shall establish the professional commission on the occasion of the appointment of managerial positions, and shall choose the best candidates based on the legislation in place.

Consequently, new appointments/elections of the General Secretaries and directors of the departments can only be made if there are no civil servants waiting in the redundancy program or there are no civil servants who qualify for the vacancy. Otherwise, the process of assigning managerial staff shall exhaust all possibilities within the list of redundant civil servants. The Regulation NO/08.2012, Article 7.1.4 it states that ‘unable to reassign the redundant civil servant to an equivalent vacant position, with his/her consent can reassign him/her to a lower position’, and this is the case with general secretaries and managerial staff if a merging, closure, or reorganization of any institution occurs. The legal problems may arise if the procedures are not followed in accordance with the laws and regulations at place.

Thus, the reassignment of senior level redundant civil servants should follow the principles of competences and transparency. Given that the previous governments were composed by large number of ministries – reassignment of a considerable number of senior level civil servants may be a challenge, as any reassignment requires a harmonization with legal mechanisms as well as political willingness to ensure a non-partisan process. However, an important component in particular to the senior level reassignment is the model followed to restructure the government. If the model of merging ministries does not secure compatibility of departments, legality and functionality – the reassignment of the senior level of civil servants would prompt gridlock. Either form of reorganization and downsizing will involve budget and legal implications for the upcoming government. In addition to that, as argued above functionality is an important factor in any reorganization.

CONCLUSIONS AND RECOMMENDATIONS

Restructuring, merging, reduction and reorganization of the government is a challenging process. Merging and eliminating policymaking powers between different ministries requires political willingness based on proper legislation. The governing coalition does however not lack the willingness nor the measures, but a clear strategy to reorganize/downsize the government. It is

21 Regulation No. 08/2012 For Redundant Civil Servants. Available at: https://gzk.rks-gov.net/ActDetail.aspx?ActID=8368
22 Ibid.
23 Law No.03/L-149 On the Civil Service of the Republic of Kosovo, Article 15. Available at: https://gzk.rks-gov.net/ActDetail.aspx?ActID=2679
24 Interview with Naser Shamolli – Legal Expert, Ministry of Internal Affairs and Public Administration. February, 2020
25 Interview with Naser Shamolli – Legal Expert, Ministry of Internal Affairs and Public Administration. February, 2020
hence necessary to provide this. This policy note posits the implications that can generate such a decision. As this paper argues, the decision to reorganize the government is prudent and compulsory. Ensuring the functionality and efficiency may however be difficult if the model of reorganization does not fit with policy making powers and entities long developed in Kosovo. As a result, this paper provides some recommendations in the abovementioned issues as follows:

- The governing coalition should adopt the Law on Government to regulate the government structure (size), areas of responsibility of the office of the Prime Minister and ministries. Also, this law should be in the harmony with the laws on public administration.

- The restructuring of the government should take into consideration the systematization and reassignment of the redundant civil servants accordingly with the Law on Civil Service, the Regulation for Redundant Civil Servants, and the relevant laws on Public Administration.

- Any reorganization of the government should involve public discussions with experts, civil society organizations, and other relevant national and international stakeholders. Such issue requires systematic involvement and feedback from different actors.

- The governing coalition should guarantee the test functionality of the reorganization of the government. In the light of this process there should be an elimination of: a) institutional overlaps; b) disproportion of the workload between ministries; c) a simple merging model which extends the size of ministries, and/or which leaves space for disorder.

- The reassignment of the senior/managerial level of civil servants should ensure high transparency in the process. Therefore, in the reassignment process should be involved: civil society organizations, external experts, and international stakeholders (i.e. foreign missions involved in the monitoring and mentoring of the public institutions). New senior level civil servants shall be competent, not politically affiliated, and appointed through the meritocracy.
POLICY NOTES

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