

Review paper

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Public Administration Reform, Administrative Capacity and European Integration: Macedonian case

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Abstract: The European integration process of the Republic of North Macedonia is a long-term and complex process of institutional, legal and administrative transformation aimed at harmonizing with the standards and values of the European Union. Within this process, the reform of the public administration is imposed as one of the key prerequisites for the successful implementation of the obligations arising from the accession process.

The paper analyzes the role of the public administration reform as a significant factor in the process of Macedonian European integration, with special emphasis on administrative capacity, professionalization, depoliticization, transparency and digital transformation of institutions.

The research is based on an analysis of relevant scientific literature, reports of the European Commission and OECD/SIGMA, as well as a comparative analysis of the key reform processes related to the fulfillment of the criteria for membership in the European Union. The results indicate that progress in the European integration process is closely related to the quality and effectiveness of the implemented administrative reforms. Although significant changes in the normative framework and institutional development have been realized in the past period, challenges related to politicization, institutional coordination and consistent implementation of reforms still represent limiting factors.

The paper concludes that public administration reform is not just a formal requirement in the process of accession to the European Union, but an essential prerequisite for building efficient, professional and accountable institutions capable of implementing European policies and standards.

Keywords: public administration reform, European integration, Macedonia, EU.

Introduction

The European integration process has been one of the most important strategic priorities of the Republic of North Macedonia since its independence. As a candidate country for membership in the European Union (EU), North Macedonia is engaged in a long-term process of political, legal, economic and institutional transformation aimed at aligning itself with European standards and values. In academic literature, European integration is often examined through the concept of Europeanization, which refers to the impact of the EU on the transformation of national institutions, public policies and administrative systems (Dimitrova, 2005; Schimmelfennig and Sedelmayer, 2005).

In this context, public administration reform is considered a key prerequisite for successful integration, as the EU has consistently stressed the importance of a professional, efficient, transparent and politically neutral administration capable of implementing the *acquis communautaire* and ensuring the sustainability of reforms (European Commission, 2025;



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OECD/SIGMA, 2021).

Administrative capacity is a central element of institutional readiness for EU membership. It reflects the ability of public institutions to formulate and implement policies, coordinate reforms and deliver quality public services. Consequently, administrative reform has become one of the most important dimensions of the accession process in candidate countries.

Despite significant progress over the last two decades, public administration reform in North Macedonia continues to face challenges related to politicization, institutional coordination, human resource management and digital transformation. These challenges are regularly highlighted in the assessments of the European Commission and OECD/SIGMA and remain closely linked to the country's progress in the EU accession process. This study examines public administration reform as a prerequisite for European integration, with a particular focus on administrative capacity, professionalization, depoliticization, transparency and digital transformation.

Drawing on relevant academic literature, European Commission reports, and OECD/SIGMA assessments, the article analyzes the relationship between administrative reforms and North Macedonia's progress towards membership in the European Union.

Research Hypotheses

The study is guided by the following hypotheses:

Main hypothesis:

“The process of Macedonian European integration is closely correlated with the dynamics and quality of reforms in public and state administration, with the intensity and effectiveness of the implemented administrative reforms significantly affecting progress in the European integration process.”

Auxiliary hypotheses:

H1. Political will and institutional capacity directly affect the level of implementation of reforms in public and state administration.

H2. The efficiency of Macedonian diplomacy in shaping and conducting relations between our country and the European Union significantly affects the process of progress in European integration.

H3. Public administration reform represents a continuous process of reorganization of institutions in the public sector and improvement of their administrative capacity, and at the same time one of the key priorities and an important prerequisite in the process of Macedonian European integration.

H4. The proactive approach of Macedonian diplomacy, in synergy with the implemented administrative reforms, represent significant factors for the country's progress in the European integration process.

H5. The depoliticization of public administration, through the efficient provision of quality services, will significantly strengthen the trust of citizens and the business community in institutions.

H6. Digital and social transformation of the administration directly depends on increasing the use of modern electronic tools.

Materials and methods

This study applies a qualitative research approach to examine the relationship between public administration reform and European integration in North Macedonia.

The analysis is grounded in the concepts of Europeanization, administrative capacity and EU conditionality and covers the period from 1991 to 2025.

The research is based on secondary sources, including European Commission progress reports, OECD/SIGMA assessments, national strategic documents, legal acts and relevant academic literature. Qualitative content analysis was used to identify major reform trends, implementation challenges and their relationship with the EU accession process.

The analytical framework focuses on key indicators of administrative capacity, including professionalization, transparency, accountability, efficiency and digitalization.

Findings from different institutional sources were comparatively assessed and interpreted in relation to the study hypotheses in order to evaluate the contribution of public administration reforms to North Macedonia's European integration process.

Research framework and hypothesis testing

The study adopts a hypothesis-driven analytical framework based on the concepts of Europeanization, EU conditionality and administrative capacity. The main and auxiliary hypotheses were evaluated through qualitative content analysis of European Commission reports, OECD/SIGMA assessments and relevant secondary sources.

Empirical findings were compared across institutional documents and interpreted in relation to the proposed hypotheses, allowing their confirmation, partial confirmation or rejection.

Results

The results of the analysis show that the public administration reform in North Macedonia has developed in several clearly demarcated phases, which directly correspond to the process of European integration.

The first phase (1991–2001) is characterized by institutional constitution and establishment of basic administrative capacities. During this period, reforms have been limited and mainly aimed at creating a functional state structure after independence. The European Union in this context defines administration as a key prerequisite for stability and democratic consolidation (European Commission, 2001).

The second phase begins with the signing of the Stabilization and Association Agreement (2001), which represents a turning point in the process of Europeanization. According to the European Commission, this phase marks the beginning of a structured administrative reform aimed at approximation to the *acquis communautaire* (European Commission, 2004).

The third phase (2005–2016) is characterized by institutional expansion and the introduction of a legal framework for the professionalization of public administration. During this period, merit systems, training systems and administrative procedures for human resource management are being established. However, European Commission reports indicate limited implementation consistency, especially in terms of depoliticization of the administration.

The fourth phase (2017–2025) represents a period of intensified reform, digitalization and an attempt at institutional modernization.

The Public Administration Reform Strategy 2023–2030 sets digital transformation as a central pillar of administrative development, with an emphasis on transparency, accountability and interoperability (Ministry of Information Society and Administration, 2023).

Empirical findings indicate that despite the existence of a relatively developed normative framework, implementation remains uneven and influenced by political and institutional factors. The analysis shows that the professionalization of public administration is one of the most significant, but also the most problematic aspects of the reforms.

The introduction of the Law on Administrative Servants (2014) and the Law on Public Sector Employees represents a formal step towards establishing a merit system. However, the European Commission continuously indicates that political influence on employment remains a significant challenge (European Commission, 2023).

In addition, data from OECD/SIGMA reports show that institutional capacity for human resource management remains moderate, with significant differences between central and local institutions (SIGMA/OECD, 2021). Training and professional development of administrative staff have a positive effect on administrative efficiency, but their impact is limited by the lack of a systemic link to career progression. These results indicate that professionalization is more formally established than intrinsically internalized in institutional practice. The introduction of electronic services, digital platforms and electronic communication systems significantly increases administrative efficiency. Of particular importance is the development of the e-invoice system, which is identified as a key instrument for improving fiscal transparency and reducing the shadow economy (World Bank, 2021).

The European Commission, in its 2024 report, notes “visible progress in the digitalization of public services”, but at the same time emphasizes that interoperability between institutions remains limited (European Commission, 2024).

These findings indicate that digital transformation is the most consistently implemented reform segment, but is not yet fully integrated at all administrative levels.

The analysis of the European Commission reports shows a consistent assessment pattern in the period 2023–2025. A “moderate level of readiness” is identified in the area of public administration, indicating the existence of a stable normative framework, but limited implementation effectiveness (European Commission, 2024).

Discussions

The results indicate the existence of a consistent gap between the normative framework and the practical implementation of public administration reforms. Although North Macedonia has a developed legal and strategic framework, especially after the adoption of the Law on Administrative Servants and the Public Administration Reform Strategy 2023–2030, implementation remains uneven.

This phenomenon is in line with the findings of the European Commission (2024), which state “limited implementation consistency” and continued weaknesses in the depoliticization of the

administration. Theoretically, this can be explained through the concept of implementation gap, characteristic of countries in the process of Europeanization where formal compliance is not accompanied by institutional transformation (Olsen, 2002).

The analysis shows that public administration reforms are strongly conditioned by the mechanism of European conditionality. The European Union sets clear criteria in terms of the rule of law, administrative capacity and professionalization, which directly influence the reform agenda (Schimmelfennig & Sedelmeier, 2005).

However, findings suggest that conditionality is more effective in generating formal legal changes than in ensuring substantive institutional transformation. This is particularly evident in the area of depoliticization, where political influence on administrative processes remains a structural problem. Empirical data show that the dynamics of reforms are closely linked to political cycles. Periods of intensified reform correspond to political stability and an increased European perspective, while periods of stagnation are associated with internal political crises and external blockades. This finding confirms the thesis that the public administration in North Macedonia does not function as a fully autonomous system, but as a politically determined structure. Similar conclusions are also observed in the literature on post-socialist administrations in the Western Balkans (Meyer-Sahling, 2009).

Although the results show significant progress in the legal framework for professionalization, especially through the introduction of a merit system and training systems, their practical implementation remains limited. OECD/SIGMA (2021) indicates that human resource management is still influenced by political factors and that career development is not fully performance-based. This suggests that professionalization is largely formally institutionalized, but not fully internalized in the administrative culture. Compared to other reform areas, digital transformation shows the highest degree of implementation consistency. The introduction of electronic services and digital systems contributes to increased efficiency and transparency. However, limited interoperability between institutions and uneven technical readiness indicate that digitalization does not yet constitute a fully integrated administrative ecosystem (World Bank, 2021; European Commission, 2024).

The results show a strong correlation between administrative capacity and progress in European integration. However, this correlation is mediated by political and institutional factors, which reduces its predictive power.

The main hypothesis, which posits a strong correlation between the pace and quality of public administration reforms and the progress of European integration, is largely confirmed. Evidence shows that improvements in administrative capacity, institutional restructuring and governance reforms are positively associated with progress in EU accession processes. However, the relationship is not linear, as implementation gaps and institutional constraints continue to moderate the overall results (World Bank, 2023; European Commission, 2024).

Regarding H1, which links political will and institutional capacity to the level of reform implementation, the findings strongly support its validity. Evidence from the European Commission's progress reports and SIGMA assessments show that administrative reforms are significantly shaped by political commitment and institutional readiness, which jointly determine the consistency and efficiency of implementation across institutions

(SIGMA/OECD, 2021; European Commission, 2023).

Regarding H2, which refers to the role of Macedonian diplomacy in the EU integration process, it is partially supported. Although diplomatic engagement contributes to maintaining the accession dialogue and international positioning, the findings show that its effectiveness is limited in the absence of a parallel capacity for domestic administrative reform (Ilievski and Taleski, 2009; Mojsovska, 2021).

Regarding H3, which conceptualizes public administration reform as a continuous process of institutional reorganization and capacity building, it is fully confirmed. The evidence clearly show that reform is not a discrete intervention, but an ongoing process aimed at strengthening administrative structures and ensuring compliance with EU standards (Caiden, 2019; OECD/SIGMA, 2019).

Regarding H4, which highlights the synergy between proactive diplomacy and administrative reform, it is also supported. The findings suggest that progress in European integration is most evident when external diplomatic efforts are effectively aligned with internal administrative reforms (Dimitrova, 2005; Schimmelfennig and Sedelmeier, 2005).

Regarding H5, related to depoliticization and service quality, it is partially confirmed. Although improvements in service delivery and administrative professionalism are evident, persistent political influence continues to limit institutional autonomy and limit public trust (Bliznakovski, 2020; Transparency International, 2024).

Regarding H6, which refers to the digital and social transformation of public administration, it is confirmed to a significant extent. The analysis shows clear progress in digitalization and the expansion of e-government services; however, the overall effectiveness of these reforms remains dependent on institutional interoperability and administrative readiness (Lawson & Danks, 2017; European Commission eGovernment Benchmark, 2024).

Overall, the hypothesis testing framework shows that although all hypotheses are supported to varying degrees, the most influential explanatory factors remain administrative capacity, political influence and quality of implementation. These findings confirm that European integration in North Macedonia is a conditional and multidimensional process shaped by the interaction between structural reforms and political-administrative dynamics (Meyer-Sahling, 2009; Neshkova & Kostadinova, 2012).

Conclusions

The research analyzed the reform of public and state administration in the Republic of North Macedonia and its role in the European integration process, with a special focus on the connection with the efficiency of Macedonian diplomacy. The results indicate that administrative reforms represent an essential structural prerequisite for a credible integration process, with their effectiveness directly conditioning the dynamics of approximation to the European Union. The empirical analysis confirms a consistent correlation between the degree of administrative reform and progress in the European integration process. Although the normative and strategic framework is largely aligned with European standards, the implementation gap remains a key limiting factor, especially in the areas of depoliticization, institutional coordination and sustainability of reform processes (European Commission, 2024;

OECD/SIGMA, 2023).

The findings also show that the most significant progress has been achieved in the domain of digitalization and technical modernization of the administration, while reforms related to human resources and professionalization are characterized by uneven and partial implementation. In this context, sectoral examples, such as tax administration, indicate limited but visible Europeanization, with results depending on the degree of institutional coherence.

Overall, the research confirms that the European integration of the Republic of North Macedonia is not exclusively a technical process of harmonization with the *acquis communautaire*, but a complex political-institutional process. Its success depends on the degree of professionalization, depoliticization and administrative efficiency, as well as on the ability of the state to ensure continuous and strategically coherent diplomatic activity in conditions of changing regional and geopolitical dynamics (Schimmelfennig, 2021).

In order to further advance the reform and integration process, the following are recommended: stable and long-term political support for the reforms; complete depoliticization of the public administration; strengthening institutional and administrative capacity; consistent application of the merit system; accelerated and interoperable digital transformation; establishing a system for continuous evaluation of results; as well as consistent alignment with European policies and standards.

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