

## THE APPLICATION OF ARTIFICIAL INTELLIGENCE IN THE NEW PUBLIC MANAGEMENT: STATUS, CHALLENGES AND PERSPECTIVES IN THE REPUBLIC OF NORTH MACEDONIA

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### ABSTRACT

This paper analyzes the role of artificial intelligence (AI) in the transformation of the public sector through the concept of new public management (NPM). In the Republic of North Macedonia, NPM has not been implemented as a single, coherent model, but as a set of reforms and instruments that are gradually introduced in various institutions, most often under the influence of European integration processes. In conditions of increased demands for efficiency, transparency and accountability, AI is emerging as a key instrument for the modernization of public administration. The concept of new public management emerges as a response to these challenges, promoting principles such as results orientation, competition and rationalization of resources. In parallel, technological development, especially in the field of artificial intelligence, opens up new opportunities for the transformation of public administration. AI enables automation, analysis of large amounts of data and improvement of processes in the The paper focuses on global trends and their application in the Republic of North Macedonia, identifying the main benefits, limitations and institutional challenges. This paper aims to analyze the institutional application of NPM in the country, as well as the key challenges associated with its implementation. The research methodology is based on a qualitative approach, which includes: analysis of relevant scientific literature, analysis of international reports, comparative approach that allows for a systematic understanding of trends and challenges. The results indicate that AI has significant potential for improving the public sector through: increased efficiency, reduced administrative costs, improved transparency, better decision-making. However, there are also serious risks: algorithmic bias, privacy threats. dependence on technology In the context of North Macedonia, these risks are further emphasized due to institutional unpreparedness. The research shows that while there is potential for significant progress, the implementation of AI is limited due to insufficient digital maturity, legal framework, and human resources.

**Keywords:** artificial intelligence, new public management, public administration, digitalization, public policies