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# Merging Small Administrative Units In Albania The Need For New Reforms In Local Governemnt

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**Abstract:** One of the most important process of democratization, which Albania is faced after years 90, is the decentralization of Local Governance. Albanian's local Government Structure is based on European cart of local Government Autonomy and Albanian Legislation. Despite some recent amendments to legislation, it is inadequate for the new social and economic developments. Although some improvements have been evident, the migration from rural areas, social And economic issues, high index level of corruption, lack of expertise leads to inefficiency In the procurement of public services. As consequences re-organization of Local Government is a necessity. This paper discusses the services provided by and functions of local councils, the arguments for Merging small units and the needs for much broader structural changes to local government.

**Keywords:** Local Government, Albania ,Law Reform , Merging , Small Administrative Units

## 1 Introduction

One of the most important principle of the European Card of local Government Autonomy, is that of subsidiary that understands the highest security of the public service, being in that service level as close to the habitant and is appreciated as one of the basic issue of all the reform in an European level in the field of the Local Governance . Following this logic, today the local governance mostly in the mountains areas is not efficient in offering the service in relevant communities, as a consequence it leaves an open debate to revise the territorial division of the Albanian Republic. The improvement of administrative territorial division is a mechanism that increases the financial resources, the ability of programming skills and the economic and social development of the community at national level, lowers the level of corruption and increases the personnel professional abilities, that's why it is seen as the only solution.

### 1.1 Literature Review

The debate over the size of the local unit is not new. Olson(1966) discussed the principles of fiscal quality between stakeholders, beneficiaries and tax payers in the division of responsibilities between different levels of government. By following this link Oates(1972) and Kings(1984), in their theories of fiscal federalism attention was devoted to promoting "optimal size" of local services.

But it does not help the territorial organization for at least three reasons: first, the theory was proposed for only a public service; second, the theory took in consideration only the economic arguments, creating a flat map; third, the union or merging is a politic and democratic process and not simply an economic and technocratic argument.

The practice showed new ways that were followed by researchers like Swianiewicz,2002;Dolleryand Roboti (2008). The debate divided Europe in two territorial blocs being at the same time two political options. (daflon,2003;276-77).

The period between ( 1952 -1972) brought the use of road joining / the obligatory merge of central government, so it became a franchise of the Northern European countries, with a drastic reduction in the number of small local government units, and time showed that it was fruitful without various social or local problems .

The use of compulsory union road or radical from upside down indicated the contrary in the Latin world, it was not successful followed by various social problems, because countries do not have the same social and economic conditions .

The period that followed was accompanied by legislation changes that allowed voluntary mergers, including countries like France and Germany .

A very large number of small local units is areal preoccupation for many European countries , (MARCOU, 2000; Swianiewicz, 2002) , because these fragments has created inefficiency in the production of public services. The practice showed that some changes were necessary, mainly related to facts not opposing the merger, but the forced merger giving more vitality to the voluntary union.

In fact there is a case of a voluntary union, several European countries have pursued much more liberal politics (France, Spain, Finland and Italy) through adoption of rules that promotes cooperation and association among existing local governments, as well as contacting and delivery of public services.

The model of melting reform/compulsory union is likely to be more effective and practical to be implemented and operated, on the other hand is notable to create stability in practice because the ethnic, sociological and historical reasons are contrary to some local traditions. Liberal and volunteer model has more advantage in respect of more customs and is more consistent with the right that the community to decide itself with anyone being in an administrative unit, basing on the international and constitution right of the Albanian legislation, being essentially democratic form in rapport of the other radical way, and creates natural administrative relations , but has the disadvantage of being more complex and centrally monitored.

One option could be the approach of financial fiscal incentives and the technical support from the central government, which will encourage the merger of small communities to where it was possible, (Lativi case) this could be done through voluntary socialization of municipalities (law no. 5682/2000) approaching common services , or through a definitive merger of jurisdictions through referendum of units that want to be involved in the process, clarifying the benefits that would have .

Today the local government in Albania is organized in two levels; 1<sup>st</sup> level - municipalities(68) village municipalities(308), 2<sup>nd</sup> level - circuits(12), under the Constitution, "European Card of Local Autonomy" and the Law on the function and organization of local Government No.5682, 2000.

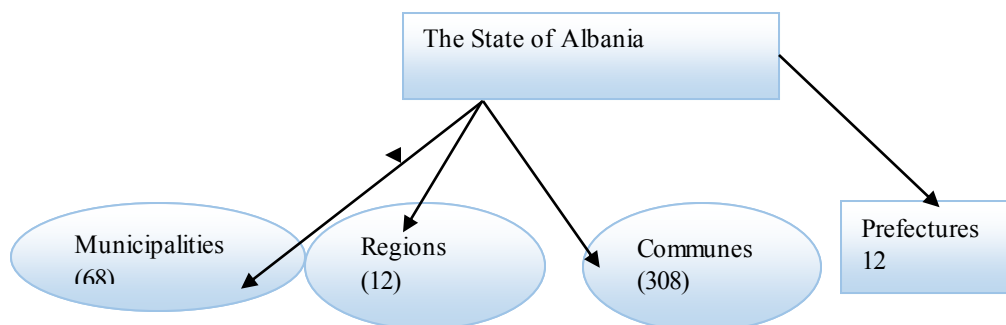


Fig. 1: Albania :Administrative Structure

## 2 Factors for and against the strategy for local government reform

1. The political situation after the central elections held on June 23, 2013, because the majority consist on 3/5 of the parliament and has the opportunity to make a reform of the local government, as for an obligatory merger of small units local government, but also for following encouragement politics for a voluntary union.
2. Law factor, law no. 8652 dated on July 31, 2000, Article 64,65,66,67,68, which are still in force and have all the possible space for a voluntary union of the units which would like to merge / join in larger unit, citing the legal way that should be followed. But until now due to the lack of political forces initiative and local units themselves and that of community interest groups , there is no similar step followed . So there was a legal space for a voluntary union and it was not effective.
3. Economic: the economic situation is not good to support encourage politics for voluntary mergers for a substantial reform of a mandatory, to be supported later without different social problems. But compulsory union is no cost and the benefits are spontaneously expected because of increased financial strength, taking into account the calculation of the grant, which is increased according to

the number of population and the surface of the merge units. For the increase of the financial power we can mention the concept "noyaux forts" with the goal of maximizing the benefits from the merger. Basic formula

$$IGn = CHF \sum_{k=0}^n Hk \times (1/IFCk) \times m$$

Where: IG grant incentives, CHF grant amount per person, H total number of residents, I the index of merging local government units, n the number of local units, IFC indicator of financial capacity, m catalytic factor which increases with the growth of n which attempts to influence the size of the local units. If we take a model where the elements were all constant we see that only the element (n) in the formula has a significant role in increasing the power according to the value in 2,3,4 times, because the number of population and area are increased in the same level, according to that is calculated even the grants.

1. Cultural factors, in general the reform is necessary in the mountainous areas in which it is still strong provincial thoughts, social relates, tradition and custom, which in itself would be an obstacle to the reform, but more accepted a merger voluntary units who would like to be joined, stimulating and encouraging them from the center with necessary grants to understand the potential benefits of the services. One factor to be considered is ethnic composition for example in areas like Dropulli, for such areas it would fit voluntary reform way. But in areas that have had a common history and practice at different times, as localities in 1956, it would be easier to achieve voluntary reform.
2. Geographical position: mountainous land occupies a considerable area in the territory of the Albanian Republic, which does not favor reform because natural barriers will hinder the work of reformed local units, and due to underdeveloped infrastructure in these areas, because the growth of the surface and underdeveloped infrastructure is an obstacle to quality services. For the above reasons it would be better to be in those areas that have such conditions and not to reduce service quality, because it will create social problems and perhaps even rebellion.
3. Current social state: the problems in rural areas today that are: lack of infrastructure, lack of quality services in health and education, has increased the sensitivity and concern of the public opinion for a reform of local government in areas with such problems.
4. The state of local government: the performance of the local government management leaves to be desired because of the reasons of financial impossibility for many services, and management of the available funds which in 70% is used to keep the administration. The most of municipal staff is not on the proper education making them unable to solve the various problems of the community. Corruption is present anywhere, because the autonomy of using the funds is understood wrong and the role of the advices is inefficient.

**Table 1** : Analyzes SWOT

Internal factors	Streth (S)	Weakness (W)
	<ul style="list-style-type: none"> <li>• Earned experience</li> <li>• Perfitimet e pritshme</li> <li>• The technique "E-government"</li> </ul>	<ul style="list-style-type: none"> <li>• Financial strength weak</li> <li>• Non-qualitative services</li> <li>• Unqualified staff</li> <li>• Corruption</li> </ul>
External factors		
Opportunities (O)	Strategy SO	Strategy WO
<ul style="list-style-type: none"> <li>• Majority has 3/5.</li> <li>• Opinion pro reform</li> <li>• The law no. 8652</li> <li>• Demographic movement of population</li> </ul>	<ul style="list-style-type: none"> <li>▪ Using the unit way /obligatory merge to reform the local units</li> </ul>	<ul style="list-style-type: none"> <li>▪ Using the unit way /volunteer merge to reform the local units</li> </ul>

Threats (T)	Strategy ST	Strategy WT
<ul style="list-style-type: none"> <li>• Historical and cultural heritage in areas</li> <li>• Mountainous terrain areas to be reformed</li> <li>• Economical opportunity to lay on</li> <li>• Lack on infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>▪ The use of stimulation and socialization between local units themselves</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake an assessment in the specific areas that may have the opportunity to join</li> </ul>

### 3 Conclusions

Strategy (So) that belongs to the merge way / compulsory union is acceptable for the conditions in which our country is today, and of which appear in Table 1.1, it is the most acceptable strategy. With regard to the second strategy (Wo), that in a way was acceptable in the content of the law 8652 for the organization and function of local government, but we have no practical case regarding the voluntary union that was the content of this law, therefore it can not find use but only time, which can stretch time but be not effective.

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