Territorial reform and lack of real decentralization in Albania

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Abstract

Albania has undertaken decentralization reforms at least in two separate instances in the post-communist period. The first was in late 1990s and the second with the territorial reform of 2016. Although the focus of the first was to bring Albania in line with the European Charter of Local Self-Government and the second officially to have a more effective governing of the territory, the real decentralization of power has not taken place. This is not so much because of the lack of proper legal framework or the necessary constitutional changes but mostly because of lack of real political will to delegate power to subsidiaries, to empower municipalities and to create the basis for actual autonomy of the local authorities.

Keywords: decentralization, territorial reform, Albania, constitutional changes

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I. Introduction

Decentralization through territorial reform has continuously been a sought-after policy in former communist countries, as various authors have already emphasized early on. For example, Illner (1997) has noted this in regard to the Visegrád countries, respectively Czech Republic, Hungary and Poland in his analysis for reforms undertaken from 1989 and onward. As he has duly observed, although some of these early reforms proved to be initially successful, in the long run, more re-centralization was introduced by national governments. Therefore, these were short-lived structural reforms that could not resist the test of time in this initial post-communist period, which re-introduced the strong central authority. This was mostly because these societies that had experienced totalitarian, post-totalitarian, or authoritarian regimes under communism, had still a legacy of mass supporting a "strong hand" in power. This legacy in turn benefitted the ruling elites that continued to maintain the grip over local authorities.

In the Western Balkans, particularly in the former Yugoslavia's space, the countries have also undergone swift decentralization waves that have relied in both enforcing the new norms of local autonomy, as well as trying to defuse some of ethnic tensions that were more present in national level. For example, after the bloody inter-ethnic wars in former Yugoslavia, incited by the Serbian irredentism, increasing local autonomy and giving more headway to decentralization was the only visible choice for the international actors that supported the reconciliation process. For example, in Bosnia-Herzegovina, full local autonomy for districts such as Brcko, was the only possible remedy after the war and Dayton process. Furthermore, the entire Dayton agreement relied on the concept of decentralization and self-rule among the Muslim, Croat and Serb communities. This made possible co-habitation, self-reliance and increasing local autonomy via decentralization of the regions and as a result, maintained a fragile peace that have lasted until now.²

On the other hand, after the second decade of the post-communist period, decentralization in all these countries, particularly in regard to areas such as public utilities, primary and secondary education, more independence in managing their own finances and being able to raise them via local taxes etc., by the municipalities

After periods of reconciliation in Bosnia-Herzegovina as well as in the rest of former Yugoslav space (Savić-Bojanić, Maja & Kalemaj, Ilir, 2021), the fragile peace of B-Hit is actually under threat because of recent moves by the leader of Republika Serbska, Milorad Dodik, to secede and create their own sovereign entity, after the federal government passed a law to punish the deniers of the genocide either by fine or prison terms. Republika Serbska controls 49 percent of territory and more than one third of population under the Dayton Agreement with an absolute majority of population being ethnic Serbs. In doing so, it is supported indirectly from Belgrade and even more directly from Russian Federation, while it is vehemently opposed by the United States and the European Union.



in these countries, has been a constant policy in all the six Western Balkan countries. These are the former Yugoslav republics, minus Croatia and Slovenia, plus Albania and was introduced after the conflict in former Yugoslavia (Bugajski, 2019). As Ahmeti (2013) has argued each of these countries has achieved significant results in decentralization, like Kosovo especially in the area of education and the increase of local revenues as percentage when compared total revenues; Albania in public utilities although it still lags behind in areas such as decentralization of education and local expenditures autonomy, Northern Macedonia and Bosnia-Herzegovina that show remarkable similarity to the Albanian case.

Other studies, show a steadier decentralization policies undertaken by Serbia and Montenegro. An important element here is also the fact that these two are the most advanced countries in the region when it comes to opening the negotiations with the European Union, where certain chapters deal also with matters such as decentralization, local autonomy, territorial and administrative reforms to be able to adjust to structural and cohesion funds of the EU, cross-border policies in line with EU rules and regulations etc. Since these are the only two Western Balkan countries to have actually opened the negotiation chapters with EU, particularly Montenegro that has opened all the chapters and has managed to already close two of them, it is common sense that they are more advanced in this regard than the other four aforementioned.

II. Literature review

There is an abundant literature in the field of decentralization, ranging from global (WB & UCLG, 2008; World Bank, 2004; Jurado & Leon 2020) to Central and Eastern European context (Dmytyrshyn, 2021; Illner, 1997). On one level of analysis there has been great evolution toward the level of regional authority over the past 70 years (Marks et al. 2008a). These authors take into account 42 countries in the period 1950-2006, and conclude that 29 of those countries saw an increase in their levels of regional authority, while 11 saw no change, and only two increased the centralization of authority (Marks et al., 2008a, p. 168). Of course, what happened in the global level in general as a result or direct consequence of globalization which in itself brought 'glocalization' - the merging or fusion of global and local, could not escape the former Eastern European space once it started its post-communism journey (Leibrecht, M. et al., 2011). This is similar and goes hand in glove with the process of spreading the liberal democracies as the primary form of governance via the three waves of democratization (Huntington, 1993). Democracy as the primary form of increasing citizens' participation in public affairs, together with liberalism that consists of individual rights and liberties as protected



by the Constitution and promotion of free trade which required open borders and increasing *glocalization*, empowered in the end the local authorities, thus making the trend toward greater decentralization the rule of thumb throughout the world.

On the other hand, the new territorial mapping in former Eastern European space was a direct consequence of two factors, one internal and the other external. The internal factors had to do with domestic demographic shifts that the countries in the former communist Central and Eastern European had to face once they started democratic pluralism and market reform processes. The external dimension had to do with the need for conformity and the European legislation that they needed to co-opt in order to increase local autonomy, decentralize power throughout territory and relocate resources more efficiently. In this, they also had plenty to learn from Western countries experience and tons of experts sent from developed countries to assist them with the structural reforms that increased the power of regions. Therefore, the combination of these two forces, led to two distinct stages of reform. The Visegrád countries that started the de-communistization process early, starting with protest movements and government changes in late 1980s were already effectively doing the decentralization reforms by early 1990s.

Whereas, the South-eastern European countries and especially what we now refer as the Western Balkans (former Yugoslav republics, minus Croatia and Slovenia, plus Albania), started the democratic revolutions with their corresponding ups and downs in the 1990s and therefore complied with the European norms such as the adoption of European Charter of Local Self-Government in the late 1990s. It was this period, late 1990s and early 2000s that some significant progress was done in these countries toward both democratic consolidation, the state of local democracy and more decentralization for the regions (Gadjanova, 2006).

Alas, because some of these countries are still a long way to join the European Union, their reforms do not necessarily fit, comply or implement in full with the *acqui communitaire*, the EU legislation that includes decentralization, territorial reform, local autonomy etc. Also, the notable differences in the integration path that these countries have among themselves are not a minor impediment in fully complying with EU directives and legislation regarding local autonomy and decentralization in particular. For example, Montenegro is the most advanced country in the region since it has opened all thirty-three required chapters although it has successfully closed only three of them and it is followed by Serbia as the next most successful country in the region when it comes to the route for full accession. On the other hand, Albania and Northern Macedonia are still waiting to open the first chapters with the EU and therefore waiting for the first inter-governmental conference. Alas, Kosovo and Bosnia-Herzegovina are not foreseen to open such negotiations any time soon, therefore the legal, political and formal requirements of the EU that include local autonomy and real decentralization of power via

empowerment of regions are still a long way to go. If these countries would have been offered a speedier integration path, their "homeworks" in addressing these legitimate would have been more successful, long lasting and more in line with their EU members' counterparts.

III. Methodology

Since Albania is the main focus of this study and the other Western Balkan states serve more as background cases, this paper focuses on exploring the critical junctures of Albanian territorial reforms in order to understand the processes of decentralization. These critical junctures are important periods of ruptures in Albanian political history in the post-communism periods that were also significant in undertaking structural reforms that touched upon and directly or indirectly affected the decentralization and increasing of local autonomy. Such periods are for example in late 1990s or with the territorial reform of 2016. Although the focus of the first was to bring Albania in line with the European Charter of Local Self-Government and the second officially to have a more effective governing of the territory, the real decentralization of power has not taken place, because of lack of real will from the ruling elites of both socialist and democrat political camps. For example, although the 2016 reform cut drastically the number of municipalities and basically removed the concept of communes which were more than three-hundred, had more an electoral aim than to real empower the now enlarged municipalities or to strengthen them financially. As it is argued below, they continue to be highly dependent on central government funding and most of their budget still goes for operational costs, including political appointments rather than for investments.

The paper uses a qualitative research design and seeks through a comparative method to understand Albania's decentralization reforms of post-communist period through critical lenses. It uses a combination of discourse and content analysis to better understand the impact of such critical junctures in shaping the political and public debate and how in turn they helped or worsened the state of affairs in local governance.

After presenting above the main theoretical and comparative state of art in the literature, the paper provides rich empirical evidence below, especially regarding the Albanian case. It also explores new avenues of research and seeks to bring added value through modest policy-making proposals since this is a topic of practical relevance as well as making a contribution in the existing scholarship.



IV. Results

The main results of this paper are that although Albanian has undertaken at least two different waves of territorial reforms with the aim of decentralization before and after the new millennium, we have not had a successful process in this end. This, as it will be argued in length in the discussion session below is because of lack of real political will, half measures without taking into consideration the political and social costs as well as geographical, historical and cultural aspects of certain regions, districts and municipalities. Also, most of these reforms have been made unilaterally, mostly to obtain short-term political benefits, rather than addressing the economic and connectivity issues that would make the newly created districts and municipalities more efficient, more autonomous of central power and more self-sustainable.

Also, the present paper has not only theoretical and empirical added value by focusing on the Albanian case-study seen through comparative lenses, but also policy-making relevance since it coincides with a new political and public debate on coming up with a new and consensual territorial map. This is formally proposed by the Democratic Party and Albanian opposition in tandem with the new electoral reform and other constitutional changes and at least in principle has been agreed by the ruling Socialist Party that a new consensual reform might be part of the political agenda in the next coming months. Therefore, this study hopes to make a modest contribution in the upcoming academic, political as well as public debate.

V. Discussion

As Toska and Bejko (2018) have already argued, the first attempts of decentralization reforms were early on with the adoption of the European Charter of Local Self-Government. The principles of this charter were immediately incorporated into the Constitution of the Republic of Albania from 1998, as well as in the National Strategy for Decentralization (1999); Law no. 8652/2000 'On the Organization and Functioning of Local Government'; and Law no. 8653/2000 'On the Administrative - Territorial Division of Local Government Units in the Republic of Albania.' The 2000 laws which were based on the Constitution of 1998, were new heights in the process of decentralization and in complying with European standards.

Meanwhile, the same authors go on to argue that in 2014 "a 'second wave' of decentralization in Albania, especially in the administrative and fiscal sense"



took place. It was this year when, the Socialist majority undertook unilaterally the territorial and administrative reform (TAR) with the main objective of improving the provision of services to citizens. The opposition boycotted the process which they viewed as a way for the Socialist government to perpetuate itself in power through an electoral salamander which for the Democrats was what the majority was after. The newly devised reforms constituted 61 municipalities instead of the previous 12 districts, 65 municipalities and a full 308 communes that continued until the end of 2015.

In this second wave of decentralization, we had new policies that came in force and were implemented, such as: the 'Crosscutting Strategy for Decentralization and Local Governance 2015-2020' and the action plan for its implementation; Law no.139/2015 'On Local Self-government,' which transferred a number of new functions to municipalities, as well as the Law no. 68/2017 'On Local Self-government Finance,' followed by Law no. 106/2017 'On some Amendments and Additions to law no. 9632, date 30.10.2006, 'On the Local Tax System' (amended). (Toska and Bejko, 2018).

The major problem with the Albanian case is not passing of new legislation, but particularly its enforcement mechanisms or proper implementation. This is the general rule of thumb but also specifically when it comes to real decentralization and increasing the local autonomy. Since the new territorial and administrative reform of 2016, there is very little headway and general progress when it comes to bringing the services closer to the citizens and inhabitants of the rural areas. Also, the number of public functionaries instead of decreasing as the result of downsizing from closer to four-hundred units (municipalities and communes) to only sixty-one municipalities, it has actually increased. The increase is especially accentuated during electoral years, such as with the recent general elections of April 2021, when only in three months prior to elections, there were more than 10 thousand new employments, mostly done as political favours (Haruni 2021). Right now, the total number of central and local governance units is 182 thousand, while the last time that the total number was similar we have to go back to 2002 (Haruni 2021).

This brings us to the main puzzle that this paper seeks to answer: why then we needed a new territorial and administrative reforms that did not bring services closer to its citizens and did not downsize the administration? The main answer fits with the overall scepticism coming not only from opposition, but also from academic circles, different scholars and activists who have written or orally argued in mass media and other public forums that this reform served more as an electoral device, same as gerrymandering in the United States that is done purely for political benefits to the ruling party.



The opinion of the present writer goes alongside this line of logic. Territories without clear economic connection or historical tradition or any cultural and social links, were put together to create politically sound municipalities that benefited the ruling Socialist Party. In such way, they created political strongholds like the case of Tirana municipality, which is by far the most important in the country after they removed Paskuqan and other populous areas that were consistently voting for Democratic Party, which in turn were put together with Kamza municipality, a Democratic Party political stronghold. Furthermore, there is no serious study that argues the reasons why the Tirana region has Kavaja and Rrogozhina as its parts, whereas Kavaja today is de facto united with Durrës. Meanwhile, the presence of Rrogozhina in the Tirana region does not meet any of the criteria of local government in neither physical proximity, nor economic structure or cultural similarity. Kavaja today delegates every institutional service. It delegates the health services in Durrës and the administrative ones in Tirana, thus questioning the logic behind such move as of why is a medical patient sent to Durrës, while the one who needs the services of the prefecture should go to Tirana? These and other absurdities of the current system should be addressed in the new territorial-administrative reform that seems in the way of getting started as a process after the formal calls of the Democratic Party to address such issue as soon as possible via a bipartisan comittee.

At the same time, Kruja has no geographical, historical or socio-cultural links with the Durrës region. The time has come for this municipality, without any connection with Durrës, to join the district of Lezha or Tirana. Lezha is united by culture and economic ties, but also by a closer physical and religious proximity than Durrës. This change should be made in function of the division of deputies. It is finally the time for Tirana to represent itself. Another district that needs to be changed is Vlora. Saranda has no reason to be part of the Vlora region, while it is already connected by the Ionian Sea. This is because the 4 municipalities of this region, namely Saranda, Delvina, Finiq and Konispol, have Vlora in a distance that goes twice as far as Gjirokastra. This will also affect the mandates of the deputies, so that we no longer have a district that produces only 4 deputies. But this must also happen as a result of cultural, economic and social proximity.

And since we are talking of the cultural, physical, and economic proximity, Përmeti could join the Korça region. It just needs a new road infrastructure.

Territorial reform must also take into account a principle: small local governments. Unfortunately, we have noticed a magnification of state administration including local administration in the past four years, culminating with approximately twelve thousand political appointments in the three months before the April 25 elections of 2021. As it is officially reported in the Albanian press, "the number of employees in the state increases by 12 thousand. According

to a recent INSTAT report in June this year, the number of employees in the public administration went to 185 thousand people, the highest since 2002. A year ago, the number of employees in the state was 173 thousand people, while in 2013, when the current Prime Minister took power, were 164 thousand people..." (Panorama 2021). A major problem that persisted in these elections was the use of public administration to support the ruling PS. For example, in one of her interviews right after the elections, the head of the OSCE/ODIHR observer mission, Ursula Gacek, talked of "the misuse of the resources of public administration" and the "fuzzy position between the [Socialist] party and the state" (Kalemai, 2021).

Therefore, to summarize the answer for the second part of my primary research question, the newly created sixty-one municipalities did not downsize the number of their employees because most of these were *de facto* political employees whose numbers always go up whenever there are elections. This is because these employees and their families are counted as safe voters for the ruling party and there is a clear visible political interest for whoever is in power to continue this un-democratic tradition. Also, it further centralized authority and marginalized communities, particularly in peripheral and semi-peripheral areas.

On the other hand, the administrative units, especially those in the plain area should be reduced, especially where the physical proximity between them is such that it does not violate the principles of local service and this is entirely possible. Of course these are some of potential changes that can make the different districts, regions and municipalities more efficient. Since the Democratic Party has already proposed a new territorial reform that could be consensual and the Socialist Party has agreed in principle and different models are already pre-existing in public debates, such as the one with one-hundred municipalities to correspond a newly electoral map that is also subject to new party negotiations, these ideas presented here can serve as food for thought that have not only empirical relevance but also policy-making impact.

VI. Limitations

The author is aware that the findings of this paper replicate some early findings from public debates, although there is still very scare literature about this issue in the field. This is a topic that has theoretical, empirical but is also policy-relevant. While there is a growing scholarship in tackling this topic from practical point of view and policy relevance as well as it is a matter of fierce political and juridical debate in the field, more literature is needed to understand its theoretical implications as well as its comparative added value.



Therefore, the present paper makes a modest contribution that help the existing theoretical and policy debate but needs to be supplemented with both quantitative and qualitative data that other future works can present in more detail. These future avenues of research can go more thoroughly into what has gone wrong with decentralization processes in Albania, why they have failed to delegate more powers to local authorities, what has to be addressed in the next territorial-administrative reforms etc.

VII. Conclusions

The present paper seeks to serve as a bridge toward understanding more of the implications of the territorial-administrative reform in Albania, its similarities and differences with the other Western Balkan countries, as well as in a broader plane, with the other former communist regions, such as the Visegrád group or Baltic states.

The main implication is that the real decentralization of power, both in vertical and horizontal axes, has not taken place. As stated throughout the paper, this is not only because of the lack of proper legal framework or the necessary constitutional changes but chiefly because of lack of political will to delegate power to subsidiaries, to empower municipalities and to create the basis for real autonomy of the local authorities. These municipalities serve primary electoral objectives and thus they continue to be over-stuffed with *de facto* political employees, to spend most of their budget on operational costs and very little on investment, to be almost exclusively dependent on government revenue that comes in the form of unconditional budget, to be limited in attracting foreign or domestic investment and capital etc.

On the other hand, the paper comes in a timely fashion when a discussion for reconsidering the territorial-administrative reform has been opened by the Democratic Party, which has formally proposed to the ruling Socialist Party that this should be a major point of interaction between the government and the opposition, altogether the electoral reform and vetting of the politicians. Together they might constitute the new constitutional changes that most parties agree that should be done sooner rather than later.

Achieving real autonomy via the process of decentralization means empowering the local authorities to be self-sustainable. It goes without saying that this should include financial autonomy, which is key for increasing municipalities power and making them able to raise awareness, create a certain identity, compete in regional basis and attract more foreign direct investment and tourists, which in turn would greatly expand their revenues. First, by increasing autonomy and real decentralization, and secondly, by amending the existing legislation



to be more compatible with the EU legislation, the focus of tomorrow may be the empowerment of the regions and districts. This can first be done in national level but more and more with an eye to expand it to cross-border enterprises and cooperation, which is the basic philosophy of the European Union and which is greatly supported financially, both in forms of donors and grants as well as foreign direct investment and attraction of capital.

These are not technical matters that may be solely solved by legal amendments or by changing the legislation. This should be chiefly addressed through a political pact, a national agenda and should be done in tandem with the requirements that follow from the European Union chapters once we open the negotiations and must be fully in compliance with acqui communitaire. We hope that modest contribution, such as the present academic article, can be also of use when it comes to setting the political agenda and informing public policy, thus bridging the gap between the scholarly and governance worlds. Thus, this serves the triple intention of the article which was to contribute in the expanding scholarship in decentralization and local autonomy by focusing on Western Balkans and particularly the Albanian case, secondly by providing rich empirical information about the developments of these countries in two distinct stages of the transition period and also noting the difference of Albania with the other W. Balkan states and thirdly to be able to provide recommendations that may be useful to policy-makers now that they are in process of potential revisiting the territorial-administrative reform of 2016 and likely coming out with a new proposal.

We hope that the new structural reform will be bi-partisan, long-lasting and address the need for empowerment of local authorities by giving them more powers, strengthening their finances and making them relevant political actors in the long term. This in turn, may also have the additional benefit of reducing the political tensions, increasing the ability of the regions to attract more EU funding, offer more perspectives for employment for the youth, be more attractive as venues for investments etc.

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