



PERSPECTIVE AND STRENGTHENING OF QARKS IN ALBANIA BETWEEN DECENTRALIZATION AND REGIONAL DEVELOPMENT

THE EU REGIONAL DEVELOPMENT POLICY AND THE ROLE OF QARKS

THE EU, on the basis of new theories of the economic geography and of the economic growth, has recognized the importance of regions (in the concept of the territory and administrative units) in the economic and social development. There are exactly the regions, firstly in territorial terms as well as with its social-economic, cultural, and political links, the geographical spaces, where are created the realities and factors for the economic and social development.² Also it is recognized that in addition to the territorial, social, economic and cultural characteristics, the region should have also the appropriate governance structure, *thus the institutions with their decision-making attributes*.

There are no unified regions in the EU, they vary as to the population, territorial size, the decision-making attributes, and also by their role in the model of governance, according to the structure and size of the member states. In countries with federal system like Germany, but also in countries like Italy and Spain, the regions are important entities of the local government in regional level (subnational), with strong functions, competences and financial resources being part of the constitutional model of the local governance of the country, along aside the federal or central government. In regard to the regional development policy they are the key actors besides central government, in programming and managing the EU funds for the regional development.

In other countries with unitary system, the importance and role of the regions is dependent on the performance of the decentralization reform, for example, in countries like France or Greece, the role of regional or local government is more limited in comparison with the agencies or representative bodies of the central government in the region as

EXECUTIVE SUMMARY

Albania's European integration process has opened an extraordinary development perspective, considering the European integration, the country's main strategic priority. One of the most important policies in terms of development and financial impact is the regional development policy of the EU, and obtaining the status of candidate country will open the possibility of benefiting from the pre-accession IPA regional development component. The practice of EU countries shows that successful programming and delivery of regional development policy, requires effective partnership of institutional and social actors in regional and local level.¹

The Qark, as leading actor for the institutional development policies at the regional level, has shown a weak performance in the regional impact of the social-economic development. The main cause of this poor performance is lack of the success of the decentralization reform in the configuration of a clear pattern of functioning of the Qarks, the lack of financial resources and assets and consequently low capacity to be a player with impact in regional development. In this regard, strengthening of the Qark is seen as a key factor to achieve a coherent and effective policy of regional development, which implies the review of the decentralization reform for the Qarks remodeling through a concrete alternative proposal for the functions and competences, the pattern of the election of the members of the Qark Council and its Chairman, the independence of the financial resources, the correction of the process of transferring the public immovable properties and the territorial consolidation of the Qarks.

Drafting of this policy document runs parallel with the process of acquiring the status of the candidate country and with the immediate need for the review, as soon as possible, of the decentralization reform for the component of the Qarks. It also needs the bipartisan commitment of policymakers, as long as the decentralization reform requires changes of the constitutional character and of the local government organic law.

2. Bachtler.J., "Where is regional policy going ?Changing concept of Regional Policy", pg.2-3, EPRC, University of Glasgow, 2001, UK

1. Hubner.D., in "EU Cohesion Policy 1988-2008: Investing in Europe's Future" p. 3, InfoRegio Panorama, June 2008, Brussels

such for e.g., Prefects. This is further reflected also in the regional development policy.

The studies show that the regional development policy of the EU, mainly in its western developed countries is harmonized with the national policies of regional development, being complementary as to the strategic priorities and in funding too. Meanwhile in the countries that joined EU later and with a low level of the economic development, the Regional Development Policy of the EU, has initiated or transformed itself into a domestic national policy of the regional development. This has happened because of the incomparable sum of EU funds for the regional development that these member states get, for example, Poland, Czech Republic, Hungary, Romania and Bulgaria. The trends show that the central governments are mainly those that manage the regional development policy of the EU.³

Historically, the evolution of planning and management of the regional development policy in the EU, has followed the line from the isolated local projects to the integrated programs of the regional development, and is guided by the principle of *partnership* according to *the model of multi-level governance*, which means the involvement in drafting of regional development policy and its delivery, of the institutional actors from local, regional, national and up to EU institutions and also with the involvement of social partners and NGOs. The importance that regional development policy of the EU gives to the dimension of the involvement of the regional and local actors, has to do with efficiency and the sense of belonging, because as it is stressed by the former EU Commissioner for Regional Policy Hubner, the policy of cohesion (one of the policy instruments of the regional development of EU) is a development policy based entirely on assets and people on the ground.⁴

In this context the success of the regional development policies of the EU cannot be understood *without an adequate and substantial partnership* on the part of the institutions at regional and local level, which also presumes also the existence of capable regional institutions to assume roles and certain responsibilities in the framework of the partnership required to design and deliver the regional development policy of the EU. This presupposes *that in Albania, too, thus the role of the Qarks as*

3. Yuill.D, Ferry.M, Gross.T "Regional Policy of EU and Norway" Report EoR-PA, pg.7-9, 2007, UK.

4. Hubner.D., in "EU Cohesion Policy 1988-2008: Investing in Europe's Future" pg.5, InfoRegio Panorama, June 2008, Brussels

a partner in programming and distribution of regional development policy will be a key role.

Thus, the successful implementation of the regional development policy implies significant involvement of Qarks and this must be the major impetus to review the role of the district in order to grant them the capability of being the main regional development partner.

In this regard, despite the desire and willingness to play a role in the regional development, up to date, the Qarks have not the capacity and capability to engage in concrete contribution towards the regional development policies. More specifically, and according to the research conducted by the ISD project⁵, the qarks do not have the capacity and resources towards the key elements of the regional development policy such as:

- the ability to manage competences defined in the context of regional development,
- limited skills in strategic planning,
- limited capacity to design and manage projects.

From the above, it is clearly seen that the problematic of the Qarks to play the role as key partners in the regional development, is not simply a matter of addressing the principle of multilevel governance in regional development, which can be corrected with the introduction of consulting and coordinating mechanisms by the central government. *The problematic is broader and more structural, that goes beyond the regional development policy and touches the core itself of function and organization of the Qark as a unit of the local government, a problem that should have been addressed in the decentralization reform.*

The two processes, that of regional development and the review of the decentralization reform (expressed in the Revised Strategy for Decentralization) seem currently to have remained in place. While the start of the process of the regional development, (IPA - Regional Development component) is directly related to the fact of obtaining the status of the candidate country, the Revised Strategy of Decentralization although revised and with a final draft, has not yet been formally adopted, by unreasonably stopping the decentralization reform, that plans also to strengthen the Qarks.

In conclusion we can say that the two processes, in their connection terms that are the Qarks, affect

5. UNDP-ISD "Stakeholders Institutional Assessment" 2011.

each other and cannot and should not be treated separately. Due to this, the achievement of the success in the regional development policy in the EU context should be treated in the Revised Strategy of Decentralization, as the main framework of the reference for strengthening the Qarks.

So, in this context, the regional development becomes a starting point for the review of the decentralization reform, in the sense that the success of its implementation requires a strengthened role of the Qarks. Otherwise, the failure / or the delay of the decentralization reform in reviewing the role of

the Qark in order to strengthen it, turns into a hindering factor in achieving the strategic objectives of the regional development policy. *As seen there is an organic connection where the long-term success in the development impacts of one policy (that of regional development) depends on the implementation of decentralization reform.*

Since regional development is part of the agenda of the European integration process of the country, it becomes even more imperative to undertake certain actions to strengthen the Qarks in the framework of the decentralization reform.

PERFORMANCE OF DECENTRALIZATION REFORM AT REGIONAL LEVEL IN ALBANIA

THE decentralization reform in Albania gained strength after the approval of the Constitution of the Republic of Albania in 1998 and the ratification by the Parliament of the Republic of Albania of the European Charter of Local Autonomy in 1999. In 1999, based on the Constitution and the European Charter, the Strategy of Decentralization and Local Autonomy was adopted, which defined the time and substantial platform for the performance of the decentralization reform. After adoption of the Strategy of Decentralization, a series of important legal acts were approved in 2000, especially it is mentioned the approval of the Law No. 8652 dated 31.07.2000 "On Organization and Functioning of the Local Governance" and the Law No. 8653 of year 2000 "On Administrative Division of the Republic of Albania."

The ambivalently definition in the law on the functions and competences of the Qark, is remarked as one of the biggest defects in the function of the Qarks, this not only from a series of study analysis⁶, but is also evidenced in the revised Decentralization Strategy, drafted by the Ministry of Interior.⁷

These defects have affected explicitly also in other aspects of the function of the Qarks, and have led to further weakening of their role. The legal framework for Qarks provides that the primary role of the Qark be that of planning -coordinating nature in terms of establishing and coordinating

the regional policy and not the role of the public service providers, being this the main function intended for municipalities and communes. The planning-coordinating role of the Qark is practiced through drafting the Regional Development Strategies, as instruments of the regional development policy. Despite the good experiences gained from several qarks in drafting the Regional Development Strategy, that had had the support of donors, still they remain with small capacities to design real programs of the economic and social development.

An inseparable element of all regional development strategies is the low level of their application in practice. Providing a certain level of funding for programs and projects identified in Regional Strategies is the main problem, but not the only one. A number of other factors affect their low viability, such as lack of harmonization and coordination with the priorities of the national and local strategies or lack of involvement still in drafting of the economic and social actors (businesses, NGOs, donors, etc.). The lack of the horizontal and vertical harmonization and coordination with the other levels of government has led even to the crash of priorities and objectives or overlapping programs by bringing inevitably tensions between parties and securing low concrete finances.

It is accepted generally that the model of the organization of the Qarks Council presents problems of legitimacy and efficiency due to the manner of election of the members of the Qark council and of the Chairman. The decision-making too, in these councils is a classic example of the domination

6. Paper presented at the national table "Role of the District in the framework of Decentralization", Platform IDR, 2010, Tirana; Toto.R, Shutina.D, "Trilogy of the Region – Policy followers or Policy makers" Co-PLAN, Tirana 2010.

7. The Revised Draft Strategy of Decentralization, Ministry of Interior, 2007.

of local interests against regional ones, because of the derived mandates of the members of the Qarks Councils from the councils of the municipalities and communes. Inadequate funding sources are a significant aspect of the weakening of the role of the Qarks. The decentralization reform in fiscal terms, gave considerable fiscal autonomy to the municipalities and communes, through the Law on Taxes and Local Tariffs and the Qarks were openly discriminated by not acknowledging to them the fiscal autonomy through taxes or fees in fiscal discretion of the Qarks. So the Qarks funding sources were not only limited but also interdependence to external factors, being limited to only a few sources of incomes. The statistics shows that Qarks receive on average only 10% of the fund of the unconditional transfers from the state budget in comparison with the municipalities and communes. Meanwhile funding from the contributions of municipalities and communes has proved to be problematic and provides tensions between the Qarks and municipalities and communes.

Other sources of funding such as conditional transfers, which are currently conducted through the Regions Development Fund, found to have structural deficiencies in the design, because such financial instruments that should provide proper support to the real regional development programs, are in fact investment for local infrastructure projects and the relatively small local minimum resulting impact on regional development.

As for above, the current system of financing the Qarks, does not allow to plan efficient regional policy and does not contribute to an efficient allocation of public funds for the most important functions in regard to regional needs. This condition is the major factor in weakening the role of Qarks and their design as powerful actors in economic and social development at a regional level.

The decentralization reform has also had as a strategic objective the transfer of the public immovable properties to the local government units, transfer which to the Qarks, according to a survey conducted by IDM, resulted mainly limited to the transfer of ownership of the Qarks administrative

buildings. The limited assets of the public immovable properties, especially those of economic character also affect the formation of a weak base to support the social-economic development at a regional level.

The shortcomings identified above are largely evidenced too, by the revised Strategy of Decentralization, and aiming to correct the reform of decentralization to strengthen the Qarks, it proposes several measures as that for the improvement of the legislation in terms of a) the type of competences, b) the manner of election, c) territorial size and d) the Qarks resource. Some of the proposals for Qarks functions, though not exhaustive, go towards the functions of public service delivery, which due to the effect of the economy of scale reach a higher efficiency if they are carried out at regional level e.g. in the field of urban waste, water and sanitation, transport system etc., this goes in line with the subsidiarity principle, but without sacrificing the local autonomy.

It is also identified in this Strategy the need for additional financial resources for the Qarks but without clear and final definition of what the specific changes would be. Enhancing the role of the Qark as the planner and coordinator of the regional development, the Strategy considers through the increase of the unified and coordinated actions between Qarks on the one hand, and central government, municipalities and communes on the other. In the same way the Strategy casually mentions the concept of "regionalization" as an element for the efficiency of the services, but this is achieved through the cooperation between the Qarks and not as their territorial consolidation, thus a bottom up approach.

Other studies conducted in Albania stresses the importance of the Qarks in the regional development by suggesting the concept of regionalization as a new model of the local governance at the regional level with the review of the administrative borders towards territorial consolidation.⁸ Likewise the role of the Qarks should be strengthened in that direction which allows it to be the development partner of the regional policy.⁹

8. Toto.R. "Regionalization of Albania against the Territory Reform" Co-Plan, 2010 Toto.

9. UNDP-ISD "Stakeholders Institutional Assessment" 2011.

THE PERSPECTIVES AND STRENGTHENING OF THE ROLE OF QARKS IN ALBANIA

BESIDES the concepts and ideas provided by the Revised Draft Strategy of Decentralization and other analysis and studies, we think that some elements are key to strengthen the Qarks and that should be part of the alternative of redesigning the role of the Qarks as a leading partner in the socio-economic development at the regional level.

The need itself to change the pattern of Qarks is evidenced by all the institutional and political actors and sooner or later the needed consensus will be reached to realize the second stage of the decentralization reform to strengthen the Qarks, reform which if done, must be complete and able to conceive a new model of operation that will withstand time. Global trend favors the role of the model of the Qarks as Regions according to the principle of regionalization, so this document suggests the adaption to this trend.

No doubt that the recommendations listed in this document provide the framework on which should be restructured the model of the Qarks in Albania, but the final product must come after an extensive consultation process and more detailed analysis.

In the proposed concept in this document, the Qark, as a second unit of the local governance should be remodeled in terms of organization, functions, assets and financial resources as well as the consolidation of territory. The guiding principle of the decentralization reform for regions is Regionalization as the final trend of remodeling of the Qark as Administrative Region. The proposal also takes into account the political sensitivities of a change of a model of governance in these proportions, something that is natural for these kinds of changes.

References

The following sources have been used in this paper:

1. The Revised Draft Strategy of Decentralization, Ministry of Interior, 2007.
2. UNDP - ISD "Stakeholders Institutional Assessment" 2011.
3. Hubner.D. "EU Cohesion Policy 1988-2008: Investing in Europe's Future" InfoRegio Panorama, June 2008, Brussels.
4. Bachtler.J., "Where is regional policy going? Changing concept of Regional Policy", EPRC, University of Glasgow, 2001, UK.
5. Yuill.D, Ferry.M, Gross.T "Regional Policy of EU and Norway" Report EoRPA, 2007, UK.
6. "The role of the District in the framework of decentralization", Platform IDR, 2010, Tirana;
7. Toto.R, Shutina.D, "Trilogy Region - Policymakers or Policy-followers" Co-PLAN, Tirana 2010.
8. Toto.R. "Regionalization of Albania Versus Territorial Reform" Co-Plan, 2010.

RECOMMENDATIONS

Remodeling of the Qark is proposed to be based on the following specific recommendations:

THE NEW MODEL OF ORGANIZING THE QARK COUNCIL AND ITS PRESIDENCY

- The new model is related to the correction of the political representation by making it more legitimate and that strengthens the regional interests against the local ones. The proposed model aims that the members of the Qark Council be elected directly from the proportional lists proposed by the electoral subjects. Consequently, the members of municipal and commune councils are not more part of the Qark Council, as it is actually. Mayors of the Municipalities and Communes will continue to be part of Qark Council, as currently. This model equals the regional interests against the local one in the decision-making of the Qark Council. The total number of the members of the Qarks should be reduced.
- The Executive Body of the Qarks must be elected directly and brings to the end the Presidency of the Qarks. This amendment gives to the Chairman of the Qark a strong mandate and capable to initiate and execute policies and also does not hand his mandate on dependence on the changes of the governing alliances and coalitions at the central, regional or local level, as it is today. This is the trend that finds support in the best practices of EU member countries and recommended also by the European Charter of the Regions.

THE FUNCTIONS OF QARKS

- The regionalization should be the main and final goal for modeling the functions and competences of the district and must be accompanied by their territorial reorganization. The regionalization would require in addition to strengthening the role of the Qark as planner and coordinator of the development at the regional level also the decentralization of the functions from the central agencies at regional level as well as the review of functions of the first level of the local government in accordance with the principle of subsidiarity and the respect for local autonomy.
- The primary executive function of the Qark, in accordance with the Constitution of the Republic of Albania and the regional development policy in the framework of European integration, should remain the planning and coordination of the regional development policies, vertically and horizontally.
- As for above, it is required the review of the importance of the Regional Strategies of Development, as the main instrument of regional development policy, in the hierarchy of the development plans from the national to local level. Thus making mandatory the vertical and horizontal cooperation and coordination mechanisms according to the principle of multi-level governance and simultaneously giving binding attributes to the regional and local level.

RECOMMENDATIONS

- More specific functions to the regions, in the framework of promoting social-economic development at regional level should be: a) the acknowledgment as an exclusive competence the management of free economic zones and parks or industrial zones, while the initiative and the approval for their establishment continues to remain a competence of the central government; b) social-economic promotion of the regions and their marketing should be regional exclusive functions and it should be acknowledged to the regions the right of representation and establishing relations with economic international institutions at the global level or the EU level.

FINANCIAL RESOURCES AND ASSETS

- The main principle in designing the regional financing system should be freeing the Qarks financial dependence on external resources, by recognizing the fiscal autonomy mainly in national tax sharing, except the unconditional and conditional transfers. In this model it is excluded the existence of contributions from municipalities and communes, and they may be object only in case of delegation of powers or in the framework of implementation of joint projects. The funding system of Qarks should envisage also the introduction of regional tariffs as payments for the public services that may be provided by the Qarks.
- The process of transferring public immovable properties should be corrected, by providing Qarks with the necessary assets to meet their primary role. Immovable assets for the Qarks may comprise buildings or sites that directly serve the economic and social development at the regional level, especially the former state enterprises. However, correction of the immovable properties transfer process should be a parallel process to determine the exact functions and competences of the Qarks.

TERRITORIAL CONSOLIDATION OF QARKS

- The territorial consolidation of the Qarks has to be considered in function of the concept of regionalization and the creation of the Administrative Regions with adequate territorial size to ensure a coherent and efficient regional development policy.
- One criteria that it is proposed for the number and size of the Qarks as Administrative Regions for Albania may be the territorial consolidation/reorganization according to the level of the statistical regions NUTS II (min.800.000 residents). This will mean that Albania can maximally be divided into 6 Regions-Administrative Regions. Currently due to the effect of the EU regional development policy, Albania is divided in 3 statistical regions NUTS II.

INSTITUTE FOR DEMOCRACY AND MEDIATION

The Institute for Democracy and Mediation (IDM) is an independent, non-governmental organization, founded in November 1999 in Tirana, Albania. It works to strengthen the Albanian civil society, to monitor, analyze and facilitate the Euro-Atlantic integration processes of the country and to help the consolidation of good governance and inclusive policy making. IDM carries on its objectives through expertise, innovative policy research, analysis and assessment-based policy options.

IDM's choice of activities to achieve its strategic objectives is an effort to go beyond simple one time delivery projects. They form part of a continuing struggle to strengthen shared values and efficient interactions across the broad spectrum of political and non-political actors in Albania. IDM is dedicated to develop a profound understanding on contemporary challenges to shape sustainable reforming strategies and public policies in key socio-economic and political development pillars, as well as to advance regional cost-effective approaches in support of intra / cross sectoral cooperation initiatives of key actors based on comprehensive research, policy assessment and multifaceted analysis.

IDM'S LOCAL GOVERNANCE AND INTEGRATED DEVELOPMENT DEPARTMENT (LGDI)

IDM's vision, as related to the Department of Local Governance and Integrated Development (LGID), is to promote civic participation in the local decision-making processes and to increase the accountability of decision-making actors at the local level. With this in mind, LGID has been working together with local government units throughout Albania in strengthening their capacities to interact better with communities as well as with civic structures in order to raise awareness about their role as key actors in sustainable development. The program area is designed to strengthen the civil society sector in Albania, develop broad community-based partnerships and build a safer community environment. Work mainly concentrates on IDM's traditional areas of focus as decentralization, capacity building of local governance, community empowerment and civic participation, as well as integrated development mainly consisting in the promotion of EU policies and instruments in the area of integrated rural & regional development.

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