



RE-ORGANISATION OF LOCAL GOVERNMENT IN ALBANIA: DEMOCRATIC DIMENSIONS OF TERRITORIAL CONSOLIDATION

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I. INTRODUCTION

FOR MORE THAN 10 YEARS implementation, the decentralization process in Albania has manifested problems which have fueled the public debate over necessary changes. Albania's very fragmented territorial division compared to the size of the country has brought forth issues of cost-efficiency in public services at local level. The need for a new territorial administrative reform as a potential option to minimize these problems has been considerably articulated during the last decade. The governing majority has actually programmed and already started the implementation process by setting up support structures and mechanisms for the accomplishment of this reform.

Territorial consolidation is promoted on the basis of efficiency or capacity of local government, but it can also lead to the need of strengthening local democracy. A territorial and administrative reform can generate various democratic deficit challenges at local level related to the difficulties of citizens in accessing local administration, non-representation fear, ensuring responsibility and accountability of the new local government units and lack of citizens' control on decision making. In this context, the role of mediating structures between newly created LGUs and citizens takes great importance because it affects the increase of representation, mobilizes local communities and facilitates citizens' access to decision-making. At the same time, this mediating instrument facilitates the impact and cooperation of both public and local institutions with citizens.

This policy paper aims at analyzing the potential effects of the administrative and territorial reform in Albania with a special focus on the democratic deficit on local level. At the same time, the paper provides alternatives for correcting such deficit as well as a series of recommendations in the frame-

work of the design of the New Decentralisation Strategy. This paper provides a starting point for constructive public debate engaging a wide range of stakeholders in order to predict and overcome the consequences of the local democratic deficit.

II. RATIONALE OF THE ALBANIAN CONSOLIDATION REFORM

THE MAP of local governance in Albania shows a high number of local government structures leading to significant differences and disparities related to the size and technical capacities of LGUs and provision of public services. Given the fact that the decentralization process in Albania has high costs, the discussion on territorial consolidation among relevant actors and decision makers has been encouraged. Additionally, other new and important developments, such as the huge demographic changes due to emigration and internal migration as well as increasing citizen demands for qualitative public services, have affected the need for territorial consolidation making it the major priority reform for policy makers.

The re-organization of local government has been foreseen as one of the priorities of the new government. The presence of a high number of LGU-s leads to distinct disparities of local capacities to mobilize resources and to offer public services. The data of the Ministry of State for Local Issues show that 150 Albanian communes, representing 50% of the total number of communes, are unable to make any capital investments for their local communities. Whereas, in regards to fiscal performance, many local government units have scored negatively as the most part of local budgets

is allocated for human resources and administrative costs. Specifically, 220 communes spend 40% of their budget for administration, while this figure escalates to 80% of the budget for 100 communes. 101 LGUs with over 10,000 inhabitants generate local revenues through local taxes on average 2500 All/per capita, while 272 LGUs with less than 10,000 inhabitants generate less than 700 All/per capita. The LGUs with a more dense population generate 3 times more local revenues.

III. IMPLICATIONS OF TERRITORIAL CONSOLIDATION

THE NEW Administrative and Territorial Reform might produce a combination of positive and negative externalities. The government of Albania has focused on the positive implications resulting from the reform. Arguments by Swianiewicz¹ are used as a sound basis. Swianiewicz points out that the territorial consolidation reform is based on the arguments related to the economy of scale, reduction of disparities among LGUs; reduced pressure for equalization systems and removed free-riding problems. In addition, the government has foreseen strengthening of communities and local communities as one of the objectives of the administrative and territorial reform.

Despite arguments in favor of the reform, the negative externalities affecting local democracy need to be taken into consideration at this stage in order to reduce their impact. Shared identity of local communities needs to be addressed as fear of non-representation interests of citizens of the remote areas, e.g capital investments. Citizens of remote villages might have problems in accessing decision-making and local administration as their distances with local government structures would increase. In addition, the bigger LGU-s need to be responsible and accountable to their citizens. These challenges might deepen the democratic deficit, if not properly foreseen in advance.

The Dahle and Tufte dilemma of 1973 is widely known. It highlighted the tradeoff between citizen effectiveness and system capacity. As stated by Dahle and Tufte, in small units, citizens act more responsibly in controlling public decision-making, but the system is less responsive to citizen preferences. In contrast, Mouritzen argues that increasing local government units affects local democracy

¹ Swianiewicz, P. (2010), Territorial Consolidation Reforms in Europe, Open Society Institute, Budapest

and citizen effectiveness up to a certain point. The balance between efficiency and democracy is subject to ongoing discussion, generating the debate on negative implications in the Albanian context.

The one-decade decentralization process in Albania has opened up spaces for citizen participation in local government to a certain extend. In this respect, the decentralization wave in Albania provided opportunities to local participatory processes and examples of good governance through citizen engagement. Best practices such as local participatory planning and budgeting presents cases of health local democracy with active citizenship and responsible local government. The need for strengthening these practices and their transformation into a working standard of the new LGUs will contribute to the local democracy.

The following section will offer alternatives on how to strengthen local communities to influence decision-making, facilitate citizen engagement and their access in decision-making and ensuring responsiveness and accountability of the new LGUs. The proposed approach might contribute to correct the deepening of the democratic deficit.

IV. POSSIBLE APPROACHES TO CORRECT DEMOCRATIC DEFICIT

AS A FIRST STEP, it is necessary to address the need for communication and interaction between citizens and local elected representatives. In this framework, mediating structures and mechanisms are deemed necessary and take a great importance to address the critical issue of local democratic deficit since they help the functioning of a vital democratic society. The main idea about this concept relies on the fact that mediating structures empower citizens and enhance legitimacy of LGUs.

Mediating structures serve as an instrument that enables an improved mutual communication among newly created LGUs and the local communities; create spaces for citizen engagement and influencing decision-making. Berger and Neuhaus² consider these structures as "Janus-faced institutions" facing both "upward" and "downward", serving citizens and local governments.

The Organic Law No. 8652 "On the organization and functioning of Local Government" recognizes

² Eberly, Don (2000). The Essential Civil Society Reader: Classic Essays in the American Civil society debate

the role of the aldermen, which in other words represents the LGUs in their local community. "The chairman and chairmanship execute and support the governance functions of commune or municipality in their village, as well as facilitate economic development and are responsible for the use of common resources and ensure social cohesion."³ According to this law, detailed duties are specified in regulations and orders issued by the communal or municipal council.

The "chairman and chairmanship" structures, well-established with the existing legal basis, fit well with the role of mediating structures, although experience so far has shown that there is a lot to improve in terms of legal aspects and functioning practice.

Support, empowerment and improvement of mediating structure (chairman, village council) might provide the optimal scenario to bring LGUs closer to local communities. Furthermore, citizens are well-acquainted with this structure and there are good practices of village chairmen playing a key role in local communities. This structure is based on the Albanian tradition of decision-making and therefore it constitutes an endogenous approach to the solution of the problem.

Despite the above, in order to make the structure "chairman and chairmanship" have a genuine contribution in addressing the democratic deficit some necessary changes need to be undertaken. The law stipulates that the selection criteria, procedure and job description of chairman and chairmanship depend on the decision of the communal council. For the existing structure to fit into the new role, the above mentioned elements should be subject of the organic law and rather than to communal council decisions. Their selection criteria should be strengthened in order to be highly representative of the community at large and have strong authority in their respective community. The chairman should have strong leadership skills in order to be central to community organization and the key person for a specific small territorial division; a reference point to all national, regional and grassroots interventions.

³ Law No. 8652 "On the Organization and Functioning of Local Government", dated 31.07.2000

Chairmanship, Community liaisons or other similar mediating structures create solid foundation for further efforts to address the local democratic deficit. Strengthening these structures at local level would be the best potential option to address the unsolved democratic challenges at the community level. Enhancing the visibility, sharing the vision, and improving procedures towards a new role in the framework of the new developments of the territorial restructuring would fill in the

democratic deficit gap and mediate between citizens and the new local government structures. These structures are present not only in the Albanian context and existing models can be useful and adapted to our context.

Referring to the context of local communities in Albania, characterized by a low level of social capital and fragile democratic culture, the administrative and territorial reform will create additional spaces for citizen engagement and community life organisation. The increased demand of citizens requires that other anchor institutions in addition to the chairman take an active role in organizing community life. Schools, libraries and community centers might serve as information hubs. These institutions and the mediating structures will contribute to the local democracy.

V. RECOMMENDATIONS

To overcome the above-mentioned democratic deficit externalities the following should be addressed:

- Intensified awareness-raising of central and local institutions with the aim of reaching cohesion of perspectives on the role of mediating structure in local democracy, as well as improvement of services towards citizens. A public awareness campaign should be conducted related to the future community organization based on the model of chairmanship and CL.
- Review of the organic law with the intention to strengthen selection criteria and procedures for the mediating structure. Its functioning and job

Mediating structures help the functioning of a vital democratic society

Empower citizens and enhance legitimacy of LGUs

Serve as an instrument that enables an improved mutual communication among newly created LGUs and the local communities

description should be a subject of the organic law;

- The mediating structure can have administrative and executive responsibility in the territory of their unit.
- The chairman of mediating structure should have strong leadership skills; Capacity building programs to strengthen their leadership skills should be provided continuously;
- Appropriate positioning of mediating structures standing between newly created LGUs on one hand and the community on the other;
- Setting up of a Training School to provide intensive information on the functions and method of

work for chairmanship members, share concrete experiences and best practices among cities, raise their capacities in terms of participatory local democracy and community development;

- An integrated methodology and manual should be developed as reference, accessible for all newly future LGU-s. The manual should also provide a toolkit with relevant tools and techniques to facilitate the mission and activities of the mediating structure.
- Strengthening community life structures such as schools, libraries and community centres
- Establishing financing schemes to support grass-root local citizenship

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. DM'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.

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