

DECENTRALIZATION STRATEGY 2014 – 2020: PERCEPTIONS OF LOCAL AND CENTRAL STAKEHOLDERS

1. INTRODUCTION

After the publication of two preliminary versions of the Draft Strategy¹ by the Cross-Institutional Working Group established to draft the Cross-Cutting Strategy of Decentralization and Local Governance (herein Decentralization Strategy) and completion of the formal process of consultation, the assessment of the stakeholders' perception of the strategy and the drafting process is of particular interest. How do stakeholders perceive the Strategy's content? How about the process of drafting of and consultation on the strategy? What will be the Strategy's potential impact on the local government units (LGUs)?

In the framework of monitoring and evaluating decentralization in Albania, the Institute for Democracy and Mediation (IDM) conducted a survey to measure the perception of the local and central stakeholders and other interest groups on the process of development and content of the Decentralization Strategy. This policy brief – the seventh one produced by IDM – presents the main findings of this survey. The document is organized in five modules, including: 1) Access to information and knowledge of Decentralization Strategy; 2) Content of Decentralization Strategy; 3) Transparency of the central government; 4) Participation in drafting the Decentralization Strategy; and, 5) Impact of the Decentralization Strategy. Recommendations are presented in the last section.

2. METHODOLOGY

The perception on the process of drafting and content of the Decentralization Strategy was measured by employing a combination of quantitative and qualitative research techniques. The quantitative part consisted of two surveys conducted with local and central officials utilizing a convenient sampling. The first sur-

vey targeted local officials, including mayors of local government units, presidents of the municipal/municipal councils, and heads of finance or service departments. The final sample was composed of 60 individuals distributed geographically in the 12 regions of Albania (with a survey response rate of 35%). In total, the sample consisted of: 75% men and 25% women. Heads of finance/service departments (55%) constituted the majority of the sample, followed by mayors of the local government units (21%). Municipalities constituted 68% of the sample with communes taking up the remaining 32%. In terms of political affiliation, about 54% of the sample can be considered to belong to right-wing political parties while 46% of the sample to the left-wing political forces.² IDM was able to ensure such political balance in the sample of the local stakeholders even though the right-wing coalition was somewhat distanced from the process of drafting and consultation of the Decentralization Strategy. The second survey³ targeted the central stakeholders including officials of line ministries, local governance associations, donor community and various international agencies, civil society representatives, and members of Parliament (members of the Local Governance Subcommittee). The sample consisted of 30 central level stakeholders (with a survey response rate of 34%). Respondents were younger, better educated, and more balanced in terms of gender when compared with local officials' sample.

The qualitative part of the research consisted in six focus groups⁴ conducted in Kukes, Lezha, Elbasan, Durrës, Fier, and Tirana. Focus group participants included representatives of local governance (communes, municipalities, and regional councils), the

¹ The draft versions were published in August and October 2014.

² This variable is generated by connecting the name of the local government unit in the survey with the data on the winning alliance as published in the Central Election Commission bulletin on the local elections of May 8, 2011. This variable has, however, some limitations, since it creates equivalence in political affiliation among all local officials identified in a given local government unit. In consideration of the Albanian context as well as bearing in mind that the ultimate goal of the research is explorative, the construction of this variable is methodologically justified.

³ The second survey was conducted during December 17, 2014 – January 19, 2015.

⁴ Focus groups discussions were held during December 4-19, 2014.

institution of prefect from the 12 regions of Albania, associations of local elects, civil society, and local governance experts. The sample included a total of 48 stakeholders and is balance with regard to gender and political affiliation.

The quantitative data were cross-examined by combining descriptive and relational statistics. In the meantime, the qualitative data were analyzed utilizing the content analysis method. The main findings of this research are provided below.

3. FINDINGS

3.1 Access to Information and Knowledge on Decentralization Strategy

More than half of local officials (55%) reported that they possess a copy of the strategy. In general, central government officials have had more access to Decentralization Strategy document than the local officials. The quantitative data reveal that most of the central government respondents possess at least a hard or electronic copy of the Strategy. Most of them state that they have received a physical or electronic copy of the strategy from the Minister of State for Local Issues (MoSLI). The same conclusion applies to local officials as well.

Local officials rank personal ties as the second most frequent source of obtaining a copy of the Strategy (in 36% of the cases). Other sources include: Association of Albanian Municipalities (14%), the Association of Local Elects (4%), Association of Albanian Communes (7%), and the official website of MoSLI (7%).

The political affiliation of LGUs is seen as an influencing factor in officials' perception of their access to information. In this line, right-affiliated LGUs report that they had less access to information in comparison to left-affiliated LGUs. Thus, 62% of the local government units, where the leftist "Coalition for the Future" has won, possess a copy of the Decentralization Strategy as compared with the 53% of LGUs affiliated with the "Coalition for the Citizen".

In addition, surveys revealed that the stakeholders have shown particular interest in ensuring information on the strategy by engaging in group discussions or through individual research. About 78% of local officials state that they have average or good knowledge on the Decentralization Strategy as compared with 13% of them who admit to have little or no knowledge at all. Central stakeholders report that they are better informed when compared with local officials. The

overwhelming majority of central officials state that they have good or very good knowledge on the Decentralization Strategy. Group discussions, personal contacts, and research result to be the main sources that have generated their knowledge on the strategy. These sources apply to both surveyed groups.

3.2 Content of the Decentralization Strategy

In most cases, survey participants agree with the overall vision and strategic objectives specified in the Strategy. However, they are somewhat unclear as to how these objectives will be achieved or with other contextual aspects of the Strategy. A wave of skepticism and distrust with regard to accomplishment of the strategic objectives lingered among them.

The municipality/commune division and the political affiliation tend to be determinative factors in these perceptions.

Most of the local and central stakeholders agree to the vision of the Decentralization Strategy: "Empowerment of the local government and the decentralization process thereof, in order to ensure a heightened efficiency of local government itself". This level of agreement is maintained regardless of officials' stance to local governance or division by municipalities or communes.

Local officials tend to show confidence in the accomplishment of the objectives of the Strategy. However, a significant number of these officials are unclear as to how these objectives will be accomplished. Concretely speaking, 82% of local officials declare that they are partially confident or fully confident in the accomplishment of the objectives. This tendency is also noticed among central stakeholders.

Lack of clarity and trust in the accomplishment of the strategic objectives varies by political affiliation and municipality/commune division. This is true in consideration of the fact that the Albanian environment is impregnated with frequent political conflicts. Consequently, the political affiliation may affect the trust of the stakeholders in the accomplishment of the objectives. In addition, the communes to be eliminated after the administrative-territorial reform show problems of ambiguity or lack of confidence.

Half of local officials representing municipalities and 28% of communal officials state that they are partially clear on how the strategic objectives specified in the Decentralization Strategy will be achieved. An overwhelming majority (96%) of officials affiliated with left-wing political parties and 67% of officials representing right-wing LGUs state that they have partial or

full confidence in the accomplishment of the strategic objectives.

The qualitative data shed light on some aspects to the local officials' lack of clarity. The focus group respondents stated that they were still unclear as to how the functions and responsibilities will be divided between the central and local tiers of governance. They suggested the division of functions should be guided by the principle of self-governance through subsidiarity, in which local issues should be the exclusive domain of local government units. Allocation of funds from the central government to the local government units is also ambiguous. Local governance representatives stated that this allocation must comply with some criteria. LGUs must be informed of these criteria and the central government must be transparent.

Another concern arising in all meetings related to the functions of the region. These functions were not clearly stated in the Decentralization Strategy. However, respondents disagreed with one another regarding the functions that a region should have. Representatives of the regional council maintained that the region's competencies should be increased, whereas representatives of the municipalities and communes reasoned that the authorities of LGUs should be expanded. The second group assigned a very minimal role to the region and the prefect. Several questions came up in the course of discussions for which participants sought clarification. These questions included: What percentage of GDP would be assigned to LGUs? How will LGUs' capacities be enhanced? Will the quality of public services be improved? Will standards of public services be established?

The majority of focus group participants expressed their disbelief in the Strategy. One of them said: "We will have problems with the Strategy over and over again, because strategies are designed and then put on the shelf." In addition, participants were skeptic about the central government's goals. They stated that the central government is not interested in transferring competences to LGUs.

When asked whether there is political will to accomplish the goals stipulated in the Decentralization Strategy, 61.4% of local officials concurred. Most central stakeholders shared the same opinion. Communal officials and right-wing affiliated officials were unlikely to admit that there is political will: 88% of left-wing affiliated officials believed that political will is there.

3.3 Transparency of Central Government

Central government's transparency is assessed in ac-

cordance with the level of openness of the process of drafting and consultation of the Decentralization Strategy as perceived by the stakeholders.

Most local officials have perceived the process of discussing the Decentralization Strategy to be open and stated that they were somewhat satisfied with how the process of consultation is evolving. However, these summarized results cover up important differences in the perceptions in consideration of the municipality/commune division and political affiliation of the local stakeholders. In addition, in line with the local officials, the overwhelming majority of the central stakeholders considered the process of design and consultation to be somewhat or completely open.

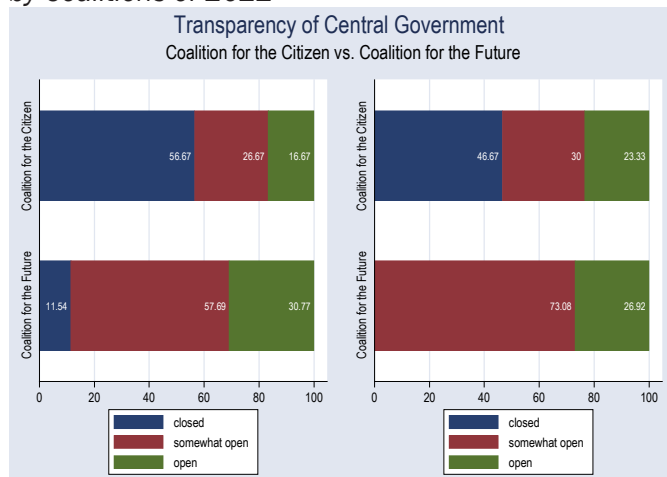
About 63% of local officials stated that the process of drafting the Decentralization Strategy was somewhat or completely open. On the other hand, 37% of local officials claimed that this process was closed.⁵ About 73% of the respondents acknowledged that the consultation process was somewhat open or completely open and 27% thought that this process was closed.

Relational statistics reveal that unlike the municipalities, the communes are more likely to consider the process of drafting and consultation of the Decentralization Strategy closed. Thus, 67% of the communal respondents stated that the drafting process was closed as compared with only 21% of the municipal respondents that shared the same opinion. In terms of the consultation process, 50% of communal officials and 13% of municipal respondents perceived it to be closed.

Officials of left-wing affiliation were more likely to perceive that the process of Decentralization Strategy drafting and consultation process was open. Thus, about 57% of LGUs with mayors coming from the right-wing "Coalition for the Citizen" qualified the drafting process as closed, compared with 12% of officials representing the left-wing "Coalition for the Future". About 58% of officials of the "Coalition for the Future" considered the drafting process to be somewhat open. The same trend applies to the consultation process, which is perceived as closed by 47% of officials representing the "Coalition for the Citizen" as compared with 73% of representatives of LGUs affiliated with the "Coalition for the Future" who considered the consultation process to be somewhat open. (See Graph 1 in the following page.)

⁵ The survey considered an open consultation process as the process where the feedback of local leaders have been completely solicited and incorporated. A closed process of drafting or consultation is that process where the feedback of local leaders has not been solicited at all.

Graph 1: Drafting-Consultation Process and Division by Coalitions of 2011



Note: The left panel presents the data on the drafting process and the right panel presents the data on the consultation process.

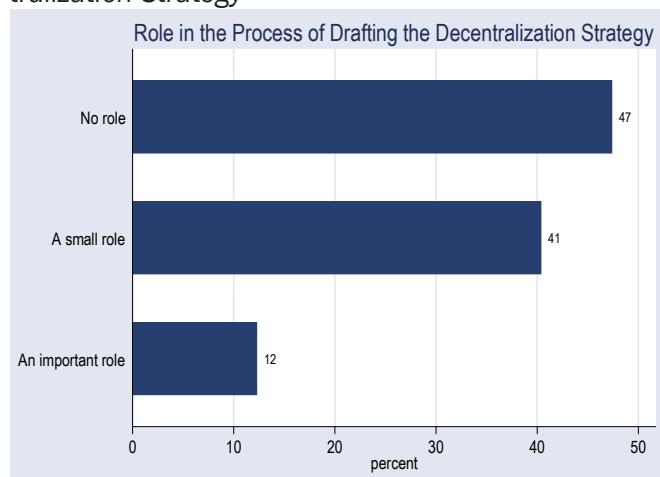
Local associations' representatives were skeptical about the drafting process. They stated that the consultative bodies that strive for the participation in the decision-making are not functional, because decisions are made in advance and have political background. In addition, they declared that the proposed Strategy does not differ from the previous ones with regard to the role assigned to local associations. One of the respondents emphasized that "the reform is just territorial, not an administrative one."

More than half of local stakeholders declared that they were somewhat satisfied or satisfied with how the consultation process of the Decentralization Strategy was evolving. Differences in the stances of local officials in consideration of the municipality/commune division and political affiliation are also noticed. Most (56%) of communal officials declared that they were very dissatisfied with how the consultation process of the Decentralization Strategy is moving ahead as compared with 23% of the respondents representing municipalities. On the other hand, 54% of respondents pertaining to the left-wing "Coalition for the Future" appear to be satisfied with the process.

3.4 Participation in Drafting the Decentralization Strategy

The division by political affiliation and municipality/commune of local officials seems to be an important factor in their perception about the participation in the drafting of the Decentralization Strategy. Many of the local respondents (47%) state that their local government unit did not play a role in the Strategy drafting process. Only 12% of the respondents declared that their LGU played an important role in the process. (See Graph 2)

Graph 2: Role in the Process of Drafting the Decentralization Strategy



Overall, communal officials stated that they have played a much smaller role as compared with municipal officials. Thus, 67% of the respondents representing communes admit that they have played no role at all in the process of strategy drafting. Among municipal respondents, this figure goes as high as 38%. On the other hand, 14% of municipal respondents declared that they have played an important role as compared with 6% of communal officials making the same statement.

Officials with right-wing affiliation were more likely to admit that they have played a smaller role in the process of strategy drafting. In concrete figures, 20% of LGUs affiliated with the "Coalition for the Future" consider their role in the drafting process as important in comparison with 3% of the LGUs affiliated with the "Coalition for the Citizen".

The descriptive analysis shows that 56% of local respondents perceived that the Decentralization Strategy represented the common interest of the central government and LGUs. Most central stakeholders shared the same opinion. However, it should be pointed out that a considerable number of communes (45%) declared that the Strategy represented the interests of the central government. In this aspect, focus group participants stated that it was very likely that the Strategy would lead to "deficient representation", particularly in remote areas. The level of representation will be weak since councilor will not be elected by the community, but will be appointed to the council. Some of the frequently comments made in the focus groups discussions included: "... representation by the new law will suffer regress..." and "...there will be deficient local representation in the new situation proposed by the Strategy..."

It is worth mentioning that, while half of the central stakeholder sample was part of the Cross-Institutional

Working Group, most of respondents coming from this sample admitted to have played a small role in the drafting of the Decentralization Strategy.

3.5 Impact of the Decentralization Strategy

Local officials perceived that poverty and unemployment are the major problems confronting their local government units. Among central stakeholders, the major problems include lack of financial resources, lack of capacities, and ambiguous competences.

The perceptions on the impact of the Decentralization Strategy tend to be more positive in the long run than in the short term. While 18% of the respondents thought that the Decentralization Strategy would lead to the solution of problems in the short term, 35% of the respondents perceived this in the long run. In both cases, most respondents stated that the impact of the Strategy would vary by problem.

With regard to the tangible effect of the Decentralization Strategy, the impact on the strengthening of local finances and increase of fiscal autonomy remains unlikely to occur for local officials. In concrete figures, 38% of the respondents did not know whether the Strategy would ultimately lead to the strengthening of local finances. This stance was not seen among central stakeholders. Yet, this concern was expressed in focus group discussions. Many participants pointed out the importance of the financial discretion to the LGUs. For instance, one respondent declared that LGUs should “have discretion in collecting and allocating [taxes and fees] by having them adopted by the relevant municipal councils.”

4. CONCLUSIONS

- In general, central government officials have had more access to Decentralization Strategy document than the local officials.
- The political affiliation of LGUs is seen as an influencing factor in officials' perception of their access to information.
- The surveyed stakeholders have shown particular interest in ensuring information on the Strategy by engaging in group discussions or through personal research.
- Respondents agree with the overall vision and strategic objectives specified in the Strategy. However, they are somewhat unclear as to how these objectives will be accomplished or with other contextual aspects of the Strategy. A wave of skepticism and

distrust with regard to the accomplishment of the strategic objectives was prevailing among the respondents.

- The political affiliation affects the trust of the parties in the accomplishment of the objectives set forth in the Decentralization Strategy. In addition, the communes to be eliminated after the administrative-territorial reform reveal problems of ambiguity or lack of confidence
- Officials affiliated with the left-wing political parties were more likely to perceive that the process of Decentralization Strategy drafting and consultation process was open.
- The division by political affiliation and municipality/commune of local officials seems to be an important factor in their perception about the participation in the drafting of the Decentralization Strategy
- More than half of local stakeholders declared that they were somewhat satisfied or satisfied with how the consultation process of the Decentralization Strategy is evolving. Differences in the stances of local officials with respect to the municipality/commune division and political affiliation are also noticed
- The perceptions on the impact of the Decentralization Strategy tend to be more positive in the long run than in the short term.
- A considerable number of communes (45%) declared that the Strategy represents the interests of the central government.
- The impact of the Strategy on the strengthening of local finances and increase of fiscal autonomy is unlikely to occur for local officials.

5. RECOMMENDATIONS

- **Improve access to information.** The Minister of State for Local Issues must pay attention to the dissemination of information on the Decentralization Strategy to all local government units. In addition, the Association of Albanian Municipalities, the Association of Local Elects, and the Association of Albanian Communes should play an active role in the dissemination of this information.
- **Enhance knowledge about the content of the Decentralization Strategy.** Three important aspects are: (a) enhance knowledge about the current content of the Strategy; (b) ensure additional details on how the functions between the two tiers of governance, central and local, will be assigned in practice. LGUs expect the implementation of the principle of self-governance through subsidiarity and acquiring the

authority for all local issues. Also, they expect more fiscal autonomy to be stipulated in the new strategy, even though there is significant skepticism about how this will ultimately come out and (c) to have more details on the instruments and mechanisms that will accomplish the strategic objectives of the Decentralization Strategy.

- **Improve the current mechanisms and establish new mechanisms of transparency** regarding the exchange of information, consultation, and allocation of funds and grants.
- **Clarify the functions of the region.** It is recommended that the role, functions, and financial resources of the region are clearly stipulated.

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 consolidate the good governance and inclusive policymaking. 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 developing a profound understanding of contemporary challenges so as to shape sustainable reforming strategies and public policies in key socio-economic and political development pillars and to advance regional cost-effective approaches in support of crosscutting cooperation initiatives of key actors based on comprehensive research, policy assessment and multifaceted analysis.

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