

## **ALBANIA CHALLENGES IN THE FRAMEWORK OF EUROPEAN INTEGRATION**

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### **Abstract**

Albania is one of the countries that want to become member of the European family. Although Albania and the EU signed on June 2006 Stabilization and Association Agreement, (SAA), it has not yet acquired the status of candidate country. We will analyze some of these criteria and how they are implemented in our country. First will be analyzed central and local governments, relations between them and the process of decentralization. During this period of transition is observed a politicization of the relationships between central and local governments, because of the fact that governments are inversely political wings. In this context will be analyzed the law project for new territorial and administrative division of the country and its consequences. Another issue that we will be analyzed is the problem of corruption, a wound of the Albanian society and noted by the European community. At the end of the study conclusions and recommendations will be drawn connected with the fact that what will do the government full fill the European criteria's for integration.

**Key words:** integration, challenges, government, corruption, local, central.

### **Introduction**

United Nations Economic and Social Commission for Asia and the Pacific in their explanation for "What is Good Governance"? stresses that simply put "governance" means: the process of decision-making and the process by which decisions are implemented (or not implemented). Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-

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making. It is also responsive to the present and future needs of society<sup>1</sup>.

Although the Communist dictatorship that was overthrown in 90 years as many other Eastern Europe, Albania still continues transition period that is lasting more than 20 years. The causes are numerous, from which one can mention the lack of democratic culture of Albanian society reflected in the Albanian political class, level of economic development, but a main cause is not good governance. The political class is not mature and is not acting responsibly to create conditions for the establishment and consolidation of Albanian democracy.

In analyze that Campell made for the countries of Eastern Europe stressed that "Moreover, while in other countries of Eastern Europe, such as Czech Republic and Poland, their leaders were educated in foreign universities in United States, Great Britain, and West Germany (Campell, 2005), but in Albania almost none of the members of the new political class have studied in the West.

We will review below some of these criteria and how they are implemented, but initially we are analyzing two levels of government in central and local government.

In 2002 the territorial division of Albania was established by Law No. 8652/00 (for the Organization and Functioning of Local Governments) and by Law No. 8653/00 (on Administrative-Territorial Division). Albania is divided into 12 counties, 36 districts, 65 municipalities, 308 communes and 2, 980 villages. In regional development strategy the municipality of Tirana has been considered as a district.

New government after the elections of June 2013, compiled a draft project for the new Territorial Administrative division of the country, a condition set by the European Union. The draft is discussing with all stakeholders that they are interested, and it is expected opposition consensus for approval, despite the majority has the votes needed to approve in parliament.

From the old territorial division had the communes that they had less 200 inhabitants and profit from the state budget. The new law on territorial division would reduce the number of municipalities and communes, which will lead to a better allocation of the state budget for them and the development of plans and strategies for their development in the future.

The process of decentralization has its own dimensions, political, administrative and financial, which interact between them and represent essentially three components of power. Decentralization is political and involves the transfer of political authority at the local level through a system of representation based on local political elections. Through administrative decentralization transferred responsibility for management issues of several functions to local units, while financial decentralization refers to the relocation of

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financial power to the local level. The goal of decentralization is to increase the authority of municipalities and communes in the management of their income and expenditure.

According to Article 6 of the Law 8653 (on Administrative-Territorial Division), independent local budget revenues are formed by:

a) Proceeds from the local domestic sources, which include:

- Income from the national taxes which by law are deposited directly in favor of the local government;
- Income from the property tax that the law left to the local government;
- Income from other local taxes;
- Income from fees for services;
- Income from economic activities depend on local power, whose costs are financed from the independent local budget;
- Income from fines and all other penalties pursuant to the authority of the local government;
- Income from assets' interest.

b) Income from aid and loans which include:

- Income from humanitarian aid organizations and those derived from the relationship established between local authorities and their counterparts at home and abroad;
- Loans only for investment in accordance with the legal provisions;
- Income from various donations and sponsorships.

c) Income from the state budget, which shall be determined by the annual budget law of the state. These revenues from the state budget can be grouped into two types: Unconditional grants that are calculated by the formula based on the law and are given to all communes according to their population. The second types are competitive (conditional) grants which are awarded by the central government to municipalities and communes on the basis of projects and grant applications that they prepare themselves.

In report progress for Albania on 2013 is written: "Local government revenues have fallen by 21%. Local government's human resources management and financial control remain weak".

Grant that the government gives the municipalities and communes calculated by formula on the basis of population, relief, etc. , therefore this division is right, for all communes and municipalities. The problem lies at competitive grants that the government provides for their development, here emerges politicization mentioned above, because some municipalities and communes that has been contrary with central government, despite having applied the projects have not won funding for their development. From interview conducted with the

chief of commune Peze, resulted that for the period 2005-2013, although preparing the projects have not received any funding from competitive grant. We may mention municipality of Tirana, when for two consecutive years received no grant from the state budget for the period 2011-2013 when the Democratic party had power.

2. Another problem is corruption, a wound of the Albanian society and highlighted from progress report of European Union for Albania. Report progress stressed that "State institutions dealing with the fight against corruption remain vulnerable to political pressure and influence. Corruption in the tax service remains an issue of concern.

Corruption in the judiciary remains a particularly serious problem and corruption in the health sector remains an area of concern". This phenomenon is highlighted by Transparency International, which published the Corruption Index every year based on perceptions of people for it. The following table is presented corruption perception index and rank for the period 2002 - 2013

Year	2002	2003	2004	2005	2006	2007	2008	2010	2011	2012	2013
CPI	2.5	2.5	2.5	2.4	2.6	2.9	3.4	3.3	3.1	3.3	3.1
Ran	81	92	108	126	111	105	85	97	95	113	116

Table 1: Perception index of corruption and rank for the period 2002 - 2013

In the study conducted by IDRA in 2014, are analyzed the key factors that influence the corruption in Albania, are given in the table below.

Table 2: Key factors influencing corruption in Albania for 2010

Lower wages	67.5%
Fast personal enrichment by those in power	49.0%
The lack of strong administrative control	40.6%
Interaction between official duties and personal interests	33.3%
Imperfect legislation	28.8%
Moral crises in the transition period	24.5%
Problems inherited from the communist past	20.7%
the judicial system is not effective	19.5%
Specific characteristics of national culture Albanian	7.6%

Burimi: Studimi IDRA (Intercultural Research Association)

### Conclusions and recommendations:

1. Albania should complete the territorial division of the country. As we mentioned above project is discussed new law on territorial division and is

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- expected to be approved by parliament. This will result in a better management of the resources allocated from the state budget. As recommended by the chiefs of the communes, the government must change the formula of calculating unconditional grants and must include the incomes that communes raised from taxes and other revenues.
2. People should choose people their leaders and the members of council of communes and municipalities with higher education and the vision for the development of their communes, not militant party members without the necessary skills to efficiently administer the communes.
  3. As a solution for this phenomenon of politicization of revenue sharing the competitive grant selection process can be structured in a more transparent way to remove any allegations of party-based discrimination.
  4. The national registration of properties must be completed in order to improve Albania's tax base, but such registration must proceed in a fair and transparent way to prevent the unjust appropriation of land belonging to indigenous peoples. This problem raised by the European Union, because the problem of land is the crunch of Albanian economy.
  5. Regarding corruption ways to fight it are two:
    - First, through education where schools and the media should play a key role,
    - Second, and justice, where corrupt people should be punished according to the laws in force.

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