

A REQUIRED INNOVATION FOR SUSTAINABLE DEVELOPMENT IN ALBANIA.

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Abstract

Local development became visible in a rather sudden way in the middle of the 1980s. It was the result of the conjunction of a particular economic (crisis of the traditional industries, widespread emergence of the services economy), social (persistent unemployment, new social exclusion forms in the cities) and political climate (decentralization, crisis of the central Welfare State, European integration). Local development is intrinsically associated with a multidimensional concept of change bringing together economic, social, cultural and environmental dimensions; with innovation across and in the spaces between these dimensions. It may be seen as a method which helps improving quality of life, supporting or accelerating empowerment of ordinary people, developing or preserving local assets, overcoming market failures, strengthening cohesion, and defining and delivering grass-root development projects (EC: 2009 : 6). Based on the above, a comprehensive definition of local development may be retained according to its strategic goals, whether based on inputs, outputs or outcomes. This volume aims to highlight many exciting innovations for sustainable development in Albania at the local level. It also begins to assess the scope for scaling up these innovations to make an impact on a larger scale. The case studies here are only a sample. Many more could have been included but for space constraints. An effort has been made to identify some of the most interesting and promising innovations for this volume. Local governmental institutions in Albania are facing difficulties regarding the relation with central power, corruption, non-availability to collect taxes and other financial benefits, and these factors cause the instability in governing. Moreover, the sustainable economic development is possible only provided that the rules of play are adjusted to managers with average capabilities. In this context the economic and regional development in Albania is impeded by two factors: inadequate development of local self-governments and unfavorable business environment. This paper introduces the main causes of these problems, and tries to designate some possible solutions which, if put in practice, are thought to improve considerably the situation of local government.

Keywords: Local Development, Innovation, Local Policy, Albania Case, Decentralization, Improve, Rules of Play, Solutions

Introduction to the theme .

The existence of sustainable and efficient government authorities is needed to create appropriate business conditions, covering a broad range of aspects: favorable rules of play, safeguarding of ownership rights. Many studies suggest that despite the increasing recognition and promotion of decentralization and local governance for sustainable development in different parts of the world, local governments in many cases are too often unable to perform the tasks they have been delegated. An analysis of such situations usually reveals specific characteristics of challenges or achievements stemming from the particular political, historical, legal, and socioeconomic traditions of a specific country. Nevertheless, in most instances, weak capacities of local governments note on capacities for integrated local development identified the critical capacity investment needs including, among others - capacities to facilitate participation through dialogue and priority-setting; capacities to gather, disaggregate, and analyse data for planning purposes; and capacities to undertake integrated planning and budgeting – all directly linked to the effectiveness, results and focus of successful local level planning. So, can we decide some orientations for the local development and the future policy options? Southern Europe, in general is characterized by a transition from authoritarian political regimes to another political system like liberal democracy. This element can eksplane the underdeveloped level in comparison to Western Europe. Furthermore, this evolve relatively rudimentary welfare regimes, and the spread of local partnership was unheard in the post-authoritarian context of democratic institution building. There are similarities between these patterns and the development of local governance in Eastern and Central Europe, we can notice that even in the similarities in the Albanian case. On the one hand, Albania like many

eastern and central European countries has been initially, at least enthusiastic to convert to neoliberalism and to bourgeois democracy, although in others forms of authoritarianism remain strong Albania is suffering this illness for too long.

The primary focus remains the construction, stabilisation and legitimisation of the more traditional institutions of local government, which are still extremely weak in may cases, and the slow process of developing the civil society institutions which local partnerships, for example, depend on or community and voluntary sector voices. In this context, it would appear that any transition to a local governance model can be inhibited not so much by the resistance from traditional local albanian government institutions, as by their weakness . In other words, Albania demonstrate the fact that effective (local) governance requires effective (local) government.

Albania is one those states which are now within the EU and the Union itself is now a strong driver towards the governance model, through for example the forms of local partnership which are required for accessing many EU funds, and through pressures towards privatization. European Union is one of the strong point to push us to leave beyond the authoritarian democracy if we want to be part of the EU institutions. Recent research by the Open Society Institute shows that Albania is replacing hierarchical territorial structures of the single party state. In some countries, mostly in the new EU member states, the reform or radical rebuilding process started more than a decade ago and has resulted in different but more or less democratic governance systems.

Albania local government is in a transitional period of the state, or simply stuck in national political stalemate. They exist, but their autonomy is frequently formal, and their mandates and governance structures are undecided or

unstable. This discussion has been able to do no more than suggest some lines for thinking about the ways in which local governance and that neoliberalism is the essential context in which to understand the shift towards local governance; that the impact of neoliberalism is highly differentiated; but that, while every country is unique, some broader tendencies and patterns can be discerned, as is the case with welfare regimes.

Successful local development involves achieving a high investment/high return equilibrium, just as much as it does for the most successful businesses. Success in the open knowledge driven global economy requires places to be truly distinctive,

appealing and productive. Just as firms must innovate and invest to succeed, localities have to adjust, reinvent, and differentiate themselves. We have to change the old patterns of land and resource use, and connect assets with opportunities in new ways and over new spaces. Albania (we) , must modernise infrastructure and build up human capital.

This can have positive impacts on entrepreneurship, innovation, skills, and other factors of growth. But this involves adjustment costs, in the form of investment to re-engineer the locality for the new economic functions and flows that it must facilitate. It can take 30-50 years of re-investment to fully recalibrate a local or a regional from the industrial mode to the knowledge mode. It requires investment, and it does yield returns. But albania localiti do not have the surplus cash, or the financial powers and leverage required, to make the investment, and capture the value it can produce. Localities find themselves within a vast range of frameworks that do not give them control over their own investment. Albanian municipality become stuck in a low investment/low return equilibrium. Periodically, an opportunity arises to make new investment and share risks and costs with other public and private entities. These opportunities do not come often and must be seized with purpose. Hosting a global event, winning a major investment, or attracting new population can be the trigger for increased financial resources. It is not surprising that many localities spend considerable effort trying to make these kinds of changes happen. But the result still are weak and we have much to end the financial controll that central government has with the local insitutions.

Albania, need also to develop systematic thinking about local development finance. Financing local development is not simply a question of finding the public money required to invest in a local productive base, or wider economic development opportunities. How local development is financed plays a key part in defining what the goals of local development may be, and the extent to which the outcomes will be sustainable in both financial and economic terms. There are different kinds of local economic development, that involve different means of financing. One measure of success of local economic development will be how much external finance and investment is ultimately attracted, and the extent to which local markets become sustainable without continued public investment. Financing local development involves both

public and private finance, including philanthropic financing, and the mix of these varies very broadly over the Local development has turned a corner in recent years and has gradually moved into the main stream of thinking about how nations, regions, provinces, and states can become more productive, create more wealth and jobs, foster new and growing firms, build human capital, and improve incomes at the local level.

A indispensable criteria is a widespread adoption of new public management and public private partnerships in our country. These require a serious involvement of organised local associations, interest groups and private actors in policy partnerships; and the introduction of new forms of citizen involvement.

In the quest to achieve national development goals in Albania we need to include a increasing recognition that this could only happen when the goals are translated into actions at the sub-national levels and by active involvement of local actors. This in turn brought about renewed attention to planning for local development, which is output and impact oriented and linked to the national level policies and budget processes. However, despite the increasing recognition and promotion of decentralisation and local governance for sustainable development in Albania, our local government in many cases is too often unable to perform the tasks it has been delegated.

An analysis of such situation usually reveals specific characteristics of challenges or achievements stemming from the particular political, historical, legal, and socioeconomic traditions of a specific our country. Nevertheless, in most instances, weak capacities of local governments for stakeholder consultation, integrated planning, mobilisation of partnerships and resources for implementation and monitoring and evaluation are the common problems cited in the existing literature. The Albanian approaches to local development and related capacity challenges is related to support integrated local development planning process. It specifically provides case evidence on key features of supporting capacity development for facilitating participatory planning through dialogue and priority-setting, data collection and analysis, and integrated planning and budgeting.

The common capacitating elements for integrated local planning in the cases reviewed include promoting inclusive processes of consultation and links among the planning, decision-making, and accountability elements of local governance; skills development in the use of planning and monitoring tools, utilisation of local talent and knowledge, experience sharing and knowledge transfer, incentives for improved performance coupled with legal and policy framework for participatory governance.

The commonly employed approaches to local development, which have distinctive characteristics and benefits, have demonstrated limited impact due to the challenges of coordinating and integrating efforts with broader public sector institutions and processes in our country. However, there is clear evidence asserting the usefulness of such concept as sustainable local development, which helps to promote effective planning methods based on multisector approach to poverty

reduction and human development and creates an opportunity to support capacity development for integrated local development planning processes. Despite a number of attempts to ensure the full benefit of local level development process, there remain critical capacity challenges particularly in facilitating participatory planning through dialogue and priority-setting, data collection and analysis, and integrated planning and budgeting. And once developed, there are challenges of linking local plans and strategies to national policies and budgeting processes, mobilising partners and resources for implementation and achieve tangible results.

While putting in place proper legal and administrative framework encourages participatory local planning process, the reviewed cases equally highlights the importance of addressing local power structures and dynamics in order to ensure meaningful participation. With a strong legal and policy backing, the integrated development planning process creates a venue for greater involvement and partnership among local government representatives, civil society organisations and the private sector. While strengthening local capacities to collect and analyse development data is critical, country experiences highlighted that appropriate analyses and disaggregation of survey data and the timely dissemination of the results will ensure that the requisite information can be utilised in decision-making and policy formulation processes.

Moreover, it was also noted that the introduction of participatory planning and budgeting processes has improved the responsiveness, transparency and accountability of public investment and public service delivery. The case evidence reviewed identified specific capacitating factors for integrated local development planning including, but not limited to, skills development of local actors for baseline assessment and analysis; utilisation of local talents including retired experts from national/local governments; small grant facility that will encourage follow-up action after the provision of trainings; experience-sharing and knowledge transfer such as 'study tours'; putting in place participatory planning and budgeting as well as monitoring and evaluation systems; proper incentives for local actors/agencies by providing tangible returns for grassroots participation; and strengthening policy development and oversight capacities at the national level. In the mean time, addressing such issues as changing attitudes and practices in both public sector organisations and in civil society to legitimate values of equity, responsiveness, accountability, and responsibility; managing complex processes involving many organisational actors; overcoming institutional boundaries that separate sectoral, local government and community-based actors due to divergent interests and values; and realigning relations of power to favour local actors came out as critical elements of integrated local development planning process in some of the cases. However, beyond the 'advanced' world, some evidence on the introduction of governance institutions in developing countries in Albania reforms suggests effective, efficient and accountable institutions of local government are securely established, even though the emergence of stronger civil societies and

the spread of democracy are helpful contexts. Nonetheless, in Albania we perceive need to shift local government from a traditional bureaucratic institution to one more in line with the governance model is clearly recognised. But can we describe some of the problem albanian local development is facing ? We can sure, try do it..

1. Problems facing local government are complex and difficult to solve. For example, no one can cite the one definite cause of community violence, or for that matter of poverty, neighborhood deterioration. These types of contemporary problems are qualitatively more complex than the engineering issues once facing cities and suburbs as they grew up in decades past.

2. No one agency, including government, can solve the problems. No one agency can deal with family dysfunction or the loss of jobs. Every, worthwhile effort requires collaboration and partnering among organizations, thus deepening the complexity. Moreover, even with collaboration, the best that can be expected is to effectively address, not to solve, the problems.

3. Local government does not have the financial resources to solve problems. Most local governments today are lucky if they have the funding simply to maintain current levels of core services. No one expects additional funding to address the social and economic problems confounding our communities. Of course, a major part of this fiscal dilemma is the shifting of costs from federal and state government to local government, giving us the legal responsibility, to address the issues, but without adequate resources.

4. Citizens have lost confidence in all institutions, including local government. In the past, people had less confidence in federal and state government but trusted local government because it was "closer to the people." Disenchantment with all major institutions, particularly government, now affects local government as well. People don't try to use their ability to exert leadership in solving community problems.

5. The monopoly is dead. Local governments have believed traditionally that they had a monopoly on certain service areas. They are, however, discovering that people have a multiplicity of choices. But now, even in the area of public safety, localities no longer have monopoly control. Because public police agencies have priced themselves out of the market, businesses and organizations now hire private security services, which have seen phenomenal growth in the last decade. Local governments also compete in a marketplace as they attempt to retain and attract residents, businesses, shoppers, tourists, utility and transit users, service customers, and arts patrons. Public agencies compete for people's cooperation and political support, whether that support involves complying with codes, conserving water, or paying, higher trash fees. Realistically, local government cannot force people to do anything unless they are willing to comply. Because citizens are bombarded with communications from all sources, local governments must vie for their attention. Cities and counties literally must compete on a daily basis for people's hearts and minds. While local government

never will abandon completely its service-delivery or vending-machine role, managers need to confront their brave new world with more collaborative problem-solving approaches. The barn raising concept encompasses many kinds of strategies. To illustrate the approach, let us review quickly four strategies that fit the model:

1 Visioning

Typically, local governments try two extreme approaches in dealing with the community. At one extreme is the "tell-and-sell" mode, which involves no real community participation at all. After local government agencies have made a decision, they try to sell it, often with little success and much negative reaction and mistrust in the decision-making process. At the other extreme of the continuum of community participation is the involvement of people in Mundane technical planning, such as the update of a General Plan element. At the beginning of the process, energized and motivated city council-appointed residents and businesspeople may attend monthly meetings. After six months of dealing with mindnumbing technical minutiae, however, everyone is bored and drops out.

Visioning is a barn-raising strategy that truly engages people in expressing what they know best: their values, hopes, and fears. Once people have articulated their aspirations, the technical people can develop a plan or write the details of a program based on citizens' values and dreams. Brea has used a visioning process called Brea by Design, engaging 125 community designers', in creating a vision for the new downtown. Based on the values and concerns raised by a cross section of residents and businesspeople, the city is redeveloping its downtown as everyone's "second neighborhood" with the full support of the community. As urban planner Michael Doyle has asked, "How can people act in the interest of the whole, if it isn't well-defined, beautiful, and ennobling?"

2 Developing Community Leadership

In Iowa's 1995 general elections, no one filed to run for the office of mayor in 131 cities. Eighty one council seats in that same election attracted no candidates. Likewise, public officials in southern California long have lamented that well-meaning, talented people are not stepping forward to take on leadership roles. In response to this leadership crisis, Brea and four other communities in North Orange County and Diamond Bar in Los Angeles County joined forces to form the North Orange County Leadership Institute. Coordinated by California State University at Fullerton, the nine month program aims to identify, train, and energize potential community leaders who can take on leadership positions on school boards and city Councils, as well as in PTAs, church groups, business associations, and civic improvement committees of all kinds. The institute has just graduated its first class of 25 community leaders. Without community leaders, local governments have no one with whom to work. Leadership development must be a priority in building a civic infrastructure and addressing intractable community problems.

3 Working Through Mediating Institutions

As the survey results on confidence in institutions indicates, people have greater trust in churches, schools, and voluntary civic organizations than in local government.

Schools, religious organizations, and other voluntary groups can mediate between government and the people. Given this potential mediating role, it makes sense for local government agencies to form partnerships with voluntary community organizations. A good example of such a partnership is the collaboration between city redevelopment agencies and Habitat for Humanity, a nonprofit Christian ministry that helps low-income families build their own houses with community support. Redevelopment agencies often offer free land, and Habitat for Humanity engages churches, businesses, civic groups, and literally thousands of people in these "home raisings." Through these relationships with mediating institutions, local government can solve problems, promote citizen responsibility, and build trust in the government partner.

4 Empowering Neighborhoods

While people do not trust government, the survey on confidence in institutions suggests that citizens most trust people like themselves: their friends, neighbors, and associates. Consequently, many local governments have focused on neighborhood empowerment strategies to solve difficult community problems. Some local governments have tried to co-locate different programs in neighborhood recreational centers or storefronts and have established multi departmental, cross-functional "strike teams" to address neighborhood crime or blight. These efforts, however, are essentially new and improved models of the vending machine. A barn-raising approach requires significant outreach and building of rapport with individuals, families, and groups in a targeted neighborhood. In the process, local government identifies neighbors with special abilities, talents, energies, and other assets to contribute. Local government agencies support associations or help form new groups, and encourage existing or potential leaders to provide direction. Groups are then engaged in discussing concerns and approaches to neighborhood problems. Local government agencies are involved as catalysts or facilitators and commit resources; neighborhood groups, however, are the critical actors. Building on residents' relationships with their neighbors, people are engaged in block parent, cleanup, and mentoring projects. Local governments also are helping neighborhood groups to take back recreation areas from gangs and drug dealers. They even are providing these recaptured playgrounds, as well as financial grants, to neighborhood groups so that they can start and schedule their own programs for their children. To fully use the assets of local groups in different neighborhoods and to promote self-help and neighborhood-to-neighborhood cooperation, Hampton, Virginia, has created a Neighborhood Resource Bank. Under this program, which is coordinated by the city, neighborhoods can use the resource bank to combat their own local problems only if they replenish the bank with some other talent, skill, or asset. Finally, neighborhoods need to look beyond their own interests. Chris Gates has talked about the need to overcome "civic cocooning," the tendency of people who may be concerned about issues in their own neighborhood but not in the one next door. Consequently, many local governments have organized periodic neighborhood

congresses so that a larger perspective of the public good can be achieved.

New Functions for Government Leaders

How can elected officials, managers, and program staff solve problems, promote citizen responsibility, and regain people's confidence? Leaders must forgo the temptation to identify and analyze community problems and then organize service programs. To promote a vital civic society, leaders must adopt some of the following roles:

- **Educate, educate, educate.** If citizens do not confront the same "brave new world" as their local government officials, people will continue to assume that government can solve all their problems and thus will go on being disappointed. Consequently, leaders must educate people regarding new realities using many different opportunities, including state-of-the-community addresses, newsletter articles, interviews, presentations to civic groups, and remarks at city council or board meetings. In the process, leaders must understand that educating is also learning; it is a two-way process. To engage in dialogue, not monologue, leaders must listen as well as talk. In the process they revise their own perceptions of the brave new world.
- **Create a new mission for local government.** The core business of localities is solving problems, not delivering services. Providing services is a good role for local government, but it is only one aspect of a total problem-solving approach that must engage citizens to be effective.
- **Convene stakeholder groups in creative ways to confront problems.** Government leaders must avoid "rescuing" people. Rather than relieving people of their civic responsibilities, government leaders need to stimulate public discourse about concerns and to encourage brainstorming about alternative solutions. Creative strategies for engaging citizens in such discussions include visioning workshops, design competitions, charrettes, and problemsolving "festivals."
- **Stimulate discussion on values, aspirations, and fears.** Instead of discussing technical solutions, government officials must encourage people to articulate their values and to envision possibilities for the future.
- **Identify what local government can contribute.** In promoting problem solving with people, as opposed to delivering services, the local government agency also must contribute resources. These contributions might include expertise, skills, facilities, training programs, seed grants, and coordination.
- **Forge collective action.** After helping to identify community concerns and stimulating public dialogue, government leaders must promote collective action. Everyone has civic responsibilities. Everyone contributes in different ways.
- **Build confidence.** Unfortunately, tearing down city hall has become an acceptable way for local officials to pander to the citizens who distrust or feel disdain for government. If those who have been elected or appointed focus on government as the problem, government will lose its capacity to help solve problems. If officials empower

people and become their partners, however, citizens will regain their confidence in themselves and in government.

Rediscovering Citizenship

The future for local government lies in transforming passive consumers of public services into responsible citizens. Because of the complexity of the problems facing communities, many people sullenly withdraw from the political process and from their civic responsibilities. They make unrealistic demands on local government, ignoring any need for common sacrifices; or they seek out heroic rescuers like Ross Perot or Colin Powell. Local government can help people rediscover their lost sense of responsible citizenship. Citizenship is not limited merely to voting in periodic elections. Even when individuals do not have a personal stake, active citizenship requires them to:

- Inform themselves on key issues confronting their communities.
- Participate in civic improvement groups.
- Struggle to find common ground with others, as well as advocate their private interests.
- Become responsible for their local governments and their communities. Yes, local government faces a brave new world. Ultimately, cities and counties cannot govern and cannot solve complex problems if people are merely passive consumers. Local governments do have a vital future, however, if they can reconceptualize their role in engaging people as responsible citizens. Albania needs to confront the weak point to face the positive of the local development.

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