



# FUNCTIONAL AREA PROGRAMME SHIJAK

Analysis of data at local level  
Economic Development  
Public Services

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### **Development disparities in Durres region:**

The lack of income from employment, and poverty, differs not only at the regional level, but also within a region. The scope of the analysis within a region such as the region of Durres, and comparisons of indicators between urban and rural areas, highlights an obvious inequality in living standards. Besides the fact that the disparity in the standard of living is present as in rural, peri-urban and urban areas, tests have shown that in each of these administrative units has an uneven geographical distribution of households in absolute poverty level. During the transition period, Albania is characterized by a high level of absolute poverty in rural areas, but at the same time also for the presence of absolute poverty in the main cities of the country. Poverty in Albania is characterized by spatial and regional dimensions, where rural areas are consistently poorer than the rest of the country. In 1996, a World Bank study of poverty characterized it more as an urban than rural phenomenon, as evidenced alothat about 90% of the poor population in Albania, lived in rural areas.

According to the findings resulting from the study on regional inequalities (UNDP, 2010) emerges clear differentiation between extremes regional development are the most developed regions Tiranë and Durres and least developed of Dibra and Kukes. The rest of the regions characterized by intermediate indicators represented by average values fluctuate. This development disparities associated with migration of population as it is known causes problems like abandoned areas as well as in the destination. Although nationwide, the demographic aspect, considered as a priority population in comparison with other countries of the European Union, which Albania aspires, on the other hand, in the absence of employment opportunities for this demographic feature is considered as a disadvantage especially in peripheral regions where it still does not feel the hand of the state to stimulate development. Problematic aspects considered the emigration of skilled workforce and ongoing depopulation of most of the regions of the country, especially in remote areas.

*Tab Nr. 2 general data on social welfare situation, 2014*

<b>Local government units</b>	<b>No of families living with economic aid</b>	<b>Individuals living with economic aid, % of population</b>	<b>Unemployed</b>	<b>Unemployed in %</b>
<b>Gjepalaj</b>	17	2.21	205	7
<b>Maminas</b>	9	0.9	265	7
<b>Shijak</b>	192	11.4	1.100	14
<b>Xhafzotaj</b>	10	0.36	947	9

*Source: Census 2011; general administrative data from Regional Council of Durres and LGUs, Statistics 2014.*

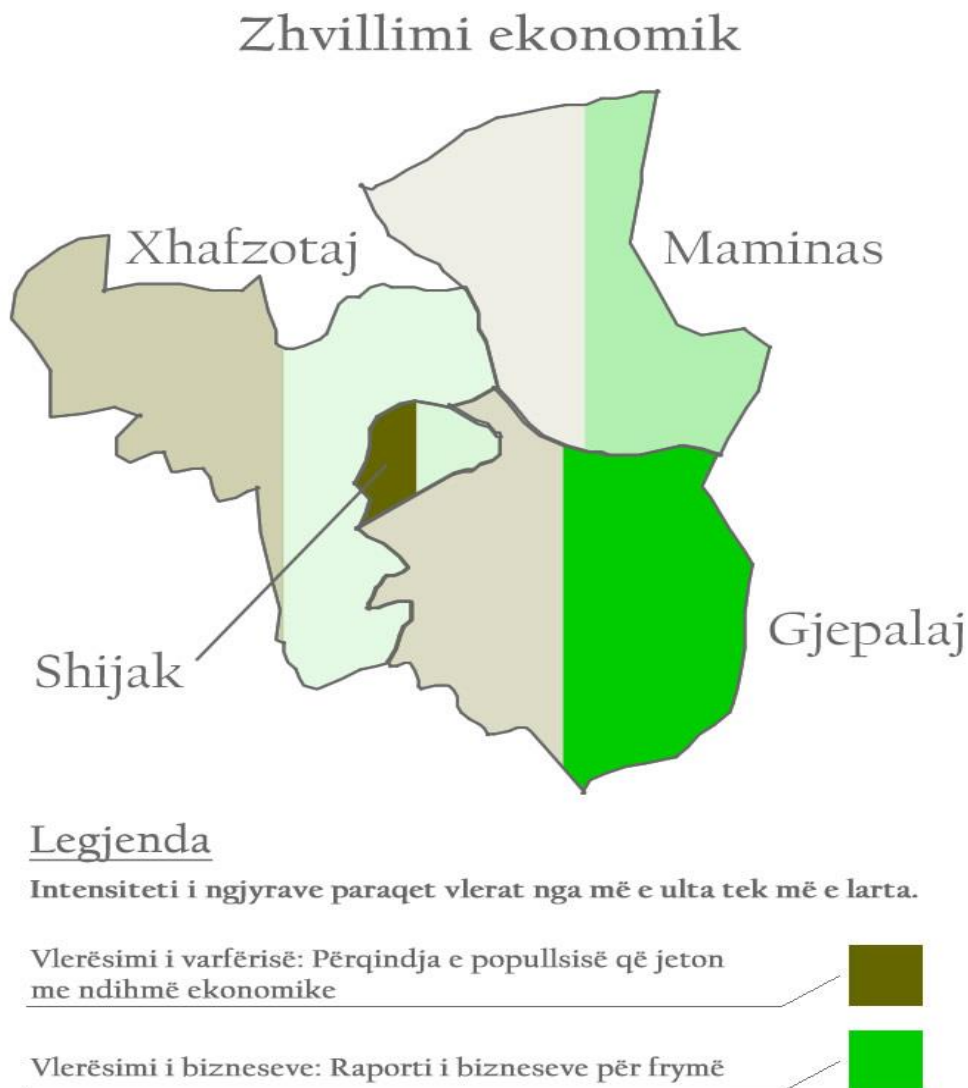
### ***Shijak area and its internal and external disparities;***

With a strong agricultural base, most populated communities of Shijak functional consider agribusiness as a fundamental pillar of local economy, with unused potential to supply the domestic and regional market. The region also has a strong potential for tourism development, with a combination of natural resources of the surrounding coastline and archaeological heritage sites from Greek and Roman times. The neighbouring coastline implies resources for development of a vibrant tourism industry when the appropriate infrastructure is provided and structured tourism promotion is being established. At this

particular part of the analysis a specific research component is observed, namely the demographics and characteristics of the workforce, in the context of overall social situation in Shijak area. Units selected for the study, respectively Municipality of Shijak and communes of Xhafzotaj, Maminas and Gjepalaj are part of Durres region. Geographically, the four selected units lie in central Albania, in the hilly and lowland areas near the Adriatic coastline. The area is characterised by a Mediterranean climate and is flowed by rivers of Erzeni and Ishëm, enabling appropriate conditions for the development of agricultural crops.

Commune of Xhafzotaj and Municipality of Shijak have larger populations compared with two other local government units, with a density of 100 inhabitants per square km, roughly the same as the average density of the country. The study area has historically been affected by migration. In the distant past Bosnian population migration contributed to the population growth of the area, and after the 90's, the high migration of local Albanian population abroad affected severely the number and structure of the workforce. Figure 1 presents the economic development of four units studied in comparison with the level of poverty.

*Figure 1: Map of local economic development within the functional area*



***A brief description of the tradition and history of the area;***

Shijak is being represented in its history as an ancient settlement. The map of several prehistoric settlements of Albania implies also 'the unique military stone', found near the village of Sallmone near Erzeni river, along the road Dyrrachium (Durrës) -Lisus (Lezha), dating back to higher Palaeolithic era (40.000-6000 BC). History testifies that after the establishment of Durrës in 627 BC, one of its residential areas was also Shijak as an integral part of the clan of Taulantia, populating the territory of Durrës from its foundation. Shijak is recognised through its name early before medieval times. The geographical indication of Shijak has a religious background from St. Jaku where initially called St. Jak, Shenjak, Shejak, Shinjak and then Shijak. On a map of 1861, the respective area is referred as Schakt.

Shijak as we know it today is from its establishment in 1880 by Sali bej Deliallisi, initially as a rural character township (village) but with a civic perspective, with his eating, the bread oven, café, mosque etc. After 1880, Bosnians settled in and Sali bej offered a two residential areas i.e. villages, which will then be recognised as Borake and Koxhase and these communities are recognised by this name ever since. Around 1908 Shijak viewed as attractive quiet center, attracting residents from Tirana, Kruje and Shengjin who decided to move in and build apartments, shops around the bazaar.

Shijak gained its full shape as a town after its French reconstruction project around 1930, as professionally documented by the renowned Albanian photographers, Marubi brothers. After year 1400 Shijak and the surrounding villages appears to be registered as part of the Sanjak, of Albania under Skurrja county. In 1910 Shijak was a sub-prefecture was administered by three units: New Neighbourhood, Old Neighbourhood and Neighbourhood Erzeni. In the 40s Shijak town numbered 216 homes with 1352 inhabitants, while in the villages included in the sub-prefecture of Shijak (72 villages) numbered 3,476 houses and 16,954 inhabitants. Today Shijak counts about 12900 inhabitants.

Shijak municipality located in the central part of Albania belongs to the administrative composition of Durrës region and borders the communes of Xhafzotaj, Gjepalaj and Maminas. In its current composition the municipality is divided in three quarters: 1-Quarter 'popullorë', 2-Quarter 'Erzeni', 3- Quarter Uphill. The surface of the municipality is 3.5 km<sup>2</sup>. Shijak enjoys a favourable geographical position with a distance of 11km from the city of Durrës, 25 km from the main national airport "Mother Teresa" and only 38 km from the city of Tirana. Statistics reveal that the population of Shijak since 2003-2007 has had an average growth of 1% per year and this increase is due to the arrival of new families from the North Albania and surrounding rural areas near the Municipality of Shijak. A cultural centre administered by the municipality is functional with the main goal to plan and organise a rich calendar of cultural activities in town and surroundings. The centre based at the "Palace of Culture" in Shijak has a capacity of 570 seats and is appreciated by local citizens for its good acoustics. The town museum still operates but is in a miserable condition due to low investments. Shijak is a town with an early tradition of sports. Erzeni sport club was founded since 1931. Shijak sports facilities include football stadium, while a new project is designed for the construction of a sports palace. Known personalities in the area:

Xhelal Deliallisi, signatory of the Declaration of Independence of Albania, 1912;

Ymer bej Deliallisi, signatory of the Declaration of Independence of Albania;

Ibrahim bej Efendi, the signatory of the Declaration of Independence of Albania.

### ***General lines of analysis and constraints encountered;***

The analysis presented in this report seeks to investigate and explain the dilemma on functional areas have impact on improving public utility services. As such, the analysis is guided by the following assumptions:

- i. The process of decentralization of local government has a wide impact on citizens at local level, as long as decisions related to people's daily life gradually transferred from central to local level. However, it should be noted that the benefits of the process of decentralization maximized when the local government owns the means besides powers for their implementation.
- ii. Despite the fact that decentralization is a key national objective; creating functional areas he should not be applied to duplicate models or relying solely on a final indicator. It should take into account regional disparities in natural resources and human capacity, taking into consideration the evaluation of poverty and social welfare indicators for each region / locality.
- iii. Transparency, accountability and participation, are key conditions for the success of the decentralization reform. Increased transparency in the regional and local level, contributes to increasing the credibility of the regional government / local and national authorities.

The methodology used is a combination of official statistical information analysis and focus groups at local and regional level in the following directions:

- ÷ Human Resources and Administration.
- ÷ Data on infrastructure of LGU.
- ÷ Economic and social data on LGUs.
- ÷ Data on governance and civic participation.
- ÷ Official statistical information includes data from the Census, statistical data from the Treasury branch Durres, Durres Labor office, sections of Assistance and Social Care in each of the units selected for the study, Durres District Council and the National Observatory for the Rights Children.
- ÷ Processed information from focus group discussions involving the four units, which were completed in the two discussions, a total of eight. Discussions were held on the basis of a questionnaire with semi-structured questions prepared in advance.
- ÷ Information analysis results are summarized and organized according to the respective chapters. The analysis is built on the basis of comparative models that reflect economic and social data for administrative units selected as the object of study as well as the criteria set by the government for the organization of functional areas.
- ÷ Despite the creation of functional areas is a political decision as a component of territorial reform, he is closely linked with economic and social development and is conditioned by social and economic factors. This conclusion proves the very definition of functional areas, described above. Functional areas analyzed in this report are considered in terms of "effectiveness in relation to public utility services". Therefore, in the following sections of the paper, creating functional areas will be analyzed in light of the law that guides free market economy, the so-called law of supply and demand. Natural resources, infrastructure and institutional capacities, possibilities of their use and local government are involved in "supply" and the needs,

characteristics of human and social capital are included in "demand". This new approach creates more space analysis not only for effective evaluation of alternatives functional areas, but also serves to provide initial information on the directions of development of functional areas in the future.

**How functional is Shijak area? Efforts to identify the sustainability of economic development in the area:**

Most of the enterprises in the area are small, with only 4% of them employing more than 10 workers. Entrepreneurs aiming to move on small businesses as a result of intensive work low wage structure in Albania. Minor activities in the manufacture of footwear and clothing profit resulted mainly small companies that subcontract processing for foreign firms. However, financial services such as banking and insurance, as well as on information services for the business, are still insufficient for a developed economy. In total, about 53% of businesses in Shijak are in retail sales; 11% are in the service sector such as hotels, restaurants and bars; 18% are in transport; 11% in manufacturing; 3% in construction; and only 4% in agricultural processing.

***Sectors of tradition in the area Shijak;***

From discussions with focus groups in communes of Gjepalaj, Maminas and Xhafëzotaj as well as through interviews with residents of the Municipality of Shijak confirmed that tradition in the area focused mainly on agriculture and trade in goods. It is worth mentioning that according to historical local and foreign sources, Shijak Land Registry dates back to the times of Ottoman Empire by 1431-32 year. Agriculture is considered as an important sector for the economy and the prosperity of the area helped by the climate conditions and higher soil quality.

*Important sectors of Shijak area in response to the strategic goal of sustainable and integrated development;*

***Agriculture***

Despite frequent changes of orientation in Shijak' local municipal economy and its communes around, the agricultural sector remains a major important one for the overall economy of the area. There has been a slight decline in recent years as a result of a recovery in the industrial sector and an increase in construction, but again the relative contribution of agriculture in the economy of the area is still high. Despite the achievements so far, there are still many problems related to agriculture and rural life. Production systems remain traditional ones, low productivity, many farms are too small and fragmented to be sustainable, the physical infrastructure is poor and private sector activity to fill the gap created by the malfunction of the schemes and structures supporting agro-industry and marketing. The same concern also applies to major environmental degradation. Thus, although impressive, changes occurred so far are only the beginning of the transformation process. Shijak agriculture is dominated by small farmers, who produce for family consumption as well as for the market. The market remains unconsolidated although private commercial finds, agro-processors and input suppliers. Fast recovery is beginning to



transition farmers (90 years), it occurred after these farmers of agricultural production adapted to the local situation. At first, the farmers aimed to produce the necessary quantity of grain, major agricultural crops, for individual consumption, and rely on farming and / or vegetables to provide limited income in cash. Agricultural crops produced in terms of a limited use of improved seeds, fertilizers and other inputs, although recently there has been an improvement in input supply situation, as private traders have moved to fill this gap. Area planted with wheat has changed during the transition period. Since 1994, there has been a constant decrease in the quantity of wheat sowing, since farmers have focused their resources on other activities. This decline has occurred particularly in hilly areas, where wheat cultivated on land unsuitable to meet national goals for self-sustainability. Average yields are now similar to those achieved before the reforms, partly for the fact that wheat now grown in good soil. There was also an increase in surface and vegetable production, especially in the lower regions with satisfactory access to urban markets. There was also an increase in the production of forage crops for livestock feed in all regions of the country. Before 1990, almost the entire surface of 1,200 ha of agricultural land was planted with field crops or fruit trees. However, today only 51% of agricultural land is planted; The main reasons had to do with lack of irrigation services and the distance from the village. The relative importance of livestock production has increased gradually since the reforms, with a contribution to the production value increased to 50%. Livestock production system fits in well with small farms and has an important function for social protection. Private economies mainly aim to produce milk and meat so as to meet their needs for consumption, and the other part remains a subsidiary, which sold where possible local markets or in small processing factories, which are added by the day. Small character of livestock production is illustrated by data collected in the municipality and the regional structures responsible for agriculture.

Other factors that explain this increase are free land suitable for forage; The possibility of increasing the number of livestock without higher costs; free labor force to care for livestock; the ability to ensure regular income from livestock products; and growing demand for livestock products. However, interest in the rehabilitation of production of fruit trees, especially apples, has been rekindled. Even olive production increased slightly, which can be attributed partly during the recent recovery of small factories processing olive oil. Also, there is a considerable interest in increasing the production of the grape, and in fact there has been an increase of the area planted and a still greater increase in production as a result of better management of land in view of giving higher yields. In contrast, citrus production has continued to fall, partly because it could not compete with the highest quality fruit coming from Italy and Greece.

*Number of undertakings in agriculture – dairies sector in Shijak area*

Year	Nr	Local government units	Total nr of farms	Agriculture farms	Livestock farms	Mixed farms
2006	1	Shijak	139	14	15	110
	2	Xhafzotaj	2611	766	545	1300
	3	Maminas	1255	40	15	1200
	4	Gjepalaj	1086	16	140	930

	Total		5091	836	715	3540
	1	Shijak	135	10	18	107
	2	Xhafzotaj	2580	750	550	1280
	3	Maminas	1278	40	15	1223
	4	Gjepalaj	1052	12	134	906
2007	Total		5045	812	717	3516
	1	Shijak				
	2	Xhafzotaj	2672	780	562	1330
	3	Maminas	1292	46	18	1228
	4	Gjepalaj	1092	16	146	930
	Total		5211	852	745	3614
	1	Shijak	154	10	24	120
	2	Xhafzotaj	1416	750	530	136
	3	Maminas	1319	35	17	1267
	4	Gjepalaj	1110	16	124	970
2009	Total		3999	811	695	2493
	1	Shijak	148	20	18	110
	2	Xhafzotaj	2470	760	530	1180
	3	Maminas	1332	46	26	1260
	4	Gjepalaj	1084	14	140	930
2010	Total		5034	840	714	3480
	1	Shijak	148	20	18	110
	2	Xhafzotaj	2470	760	530	1180
	3	Maminas	1332	46	26	1260
	4	Gjepalaj	1084	14	140	930
2011	Total		5034	840	714	3480
	1	Shijak	181	28	23	130
	2	Xhafzotaj	2410	800	500	1110
	3	Maminas	1335	45	23	1267
	4	Gjepalaj	1051	16	145	890
2012	Total		4977	889	691	3397
	1	Shijak	181	28	23	130
	2	Xhafzotaj	2410	800	500	1110
	3	Maminas	1335	45	23	1267
	4	Gjepalaj	1051	16	145	890
2013	Total		4977	889	691	3397

	1	Shijak	150	10	19	121
	2	Xhafzotaj	2638	765	562	1311
	3	Maminas	1280	42	18	1220
	4	Gjepalaj	1101	16	146	939
2014	Total		5169	833	745	3591

*Markets in Shijak area*

Year	Nr	Local government unit	Nr of markets	Agriculture market	Livestock market	Mixed markets
	1	Shijak	3	1	1	1
	2	Xhafzotaj	0	0	0	0
	3	Maminas	0	0	0	0
	4	Gjepalaj	0	0	0	0
2006-2013	Total		3	1	1	1
	1	Shijak	3	1	1	1
	2	Xhafzotaj	1	1	1	1
	3	Maminas	0	0	0	0
	4	Gjepalaj	0	0	0	0
2014	Total		4	2	2	2

*Data on collective units*

Year	Local government units	Total nr of collectors	Collectors of agriculture products	Collectors of dairy products	Collectors of mixed products
	Shijak	2		2	
	Xhafzotaj	3		3	
	Maminas	2	1	1	
	Gjepalaj			2	
2006 - 2009	Total	7	1	8	
	Shijak				
	Xhafzotaj				
	Maminas	2	1	1	
	Gjepalaj	2	1	1	
2010 - 2013	Total	4	2	2	
	Shijak	2		2	
	Xhafzotaj	3		3	
	Maminas	2	1	1	
	Gjepalaj			2	
2014	Total	7	1	8	

### ***Agricultural processing***

Only a small portion of domestic production is processed by a small industry agro-processing, which occupies employs 8 percent of the workforce at national level. Currently, there are about 6sipërmarrje which operate with investments in the processing of agricultural and livestock products processing of olive oil, milk and meat. Potential development of agro-processing will have a crucial role to further improvement of agriculture in the municipality. Agro-processing industry serves as a leading and sustainable instrument for agricultural production and provides employment opportunities in these municipalities. Sales of processed products and of high quality will increase the likelihood that Shijak products to compete in national and / or regional and find new commercial space. Organic production will probably reach to possess a market segment. However, before the intended new markets should be improved and maintained the stable quality of products; and therefore also the quality standards must be defined and enforced for implementation. Most of the processing plants are small, and their impact on the marketing, usually appear more localized. The expansion is hindered by lack of capital, expertise, and high cost of collection of products. Further development of agro-processing industry will be crucial for an improved link of farmers with markets and an increase in the value of local products. Marketing is carried out by several private companies and through local markets in Tirana and Durrës. Bargaining power of farmers is small due to the lack of information on prices and limited opportunities for sale. It will be important to improve infrastructure markets to function more efficiently, and to ensure maintenance of markets. As regards getters in the study area currently 8 such operating. Mainly agricultural products store. Recently while raising initiatives wineries, especially in the Maminas where this culture with olive are priority crops. Production potentials of the area referred to these collective points are insufficient in capacity and number. Relations between actors are legally non-formalized (without contract). These conditions force individual farmers to move closer to its markets (Tirana, Durrës), what directly affects their costs. Transport and road infrastructure in municipalities inside leave much to be desired.

Year	Local government units	Total nr of food processors	Agriculture food processors	Livestock food processors	Mixed food processors
2006	Shijak				
	Xhafzotaj				
	Maminas				
	Gjepalaj				
	Total				
	Shijak	2		1	1
	Xhafzotaj	4	4		
	Maminas				
2007-2009	Gjepalaj				
	Total	6	4	1	1

	Shijak	2		1	1
	Xhafzotaj				
	Maminas				
	Gjepalaj				
2010-2013	Total	2		1	1
	Shijak	2		1	1
	Xhafzotaj	4	4		
	Maminas				
	Gjepalaj				
2014	Total	6	4	1	1

### ***Services provided by small and medium enterprises (SMEs)***

Currently, non-agricultural rural economy is limited to small buildings, small technical services and professional and small shops. Employers in the services sector usually are represented by family businesses, which is small and means less opportunity for job openings. In addition, the work tends to be random, intermittent and low charge. The few jobs that are created seem to create less likely or not at all in terms of learning new skills, to further disadvantaged rural labor force almost unformed. On the other hand, non-agricultural rural economy provides goods and services only basis of life, and rely more on traditional codes of kinship and interpersonal reciprocity rather than modern contractual practices. Non-agricultural rural economy lacks the necessary investments and initiatives, which today are low-oriented urban areas and semi-urban areas, where they are shown the fastest rates of growth during the 90s. This has led to a large-scale migration from rural areas, mainly to men with active members of the family, who are attracted to employment in urban areas and abroad. Consequently, the rural population is progressively dominated by women, the elderly and unskilled labour force, narrowing considerably the basis of human resources for the development of non-agricultural rural economy. Rural non-farm economy in Albania has also suffered from a lack of institutional arrangements necessary for the development. Observed gaps in education and technical skills training and business guidance affect severely access to financial services, coordination with local authorities and civil society organizations; and promulgation, dissemination and operation of a body which require observance of commercial law. Workforce is resulting in a continuous reduction of skills, due to migration, aging and lack of education and vocational training of young people. Selected units in the region of Durres, one of the richest regions in natural and human resources, they do not demonstrate the same level of economic development, due to the influence of various factors. Geographically, the four selected nëjsitë lie in central, in the hilly area of the field, near the Adriatic plain. Mediterranean climate suitable addition, the area is crossed by the river and the river Erzeni Ishëm, ensuring appropriate conditions for the development of agricultural crops.

Shijak functional area (Municipality of Shijak and municipalities Xhafzotaj, Gjepalaj of Maminas) act 1.381 active enterprises, about 16 percent of all district enterprises. The average index of GDP is higher than the average index of GDP per county (0.615, 0.606). According to the same source, the average Human Development Index in the functional area

to take in the analysis is higher than the average Human Development Index for the region. (0.755, 0.751). However each of the units that make up the functional area Shijak, do not demonstrate the same level of economic development, due to the influence of various factors. In the four selected units appear difficult economic situation, while investment in the promotion of employment, entrepreneurship, small business and medium as well as infrastructure, limited. The main activity remains agriculture, especially in communes of Maminas and Xhafzotaj while commune of Gjepalaj has focused mainly on farming. In this municipality is located and one of the largest farms nationwide, the breeding of cattle and small ruminants.

Tables 8 and 9 provide detailed information on the number of businesses and the sector in which they operate.

*Tab 8: undertakings in Shijak area*

	Public	Private	Total	Private enterprise	Big enterprise	Medium Enterprise	Small enterprise
<b>Gjepalaj</b>	0	41	41	41	6	7	28
<b>Maminas</b>	20	132	152	132	22	32	78
<b>Shijak</b>	73	500	573	500	83	124	293
<b>Xhafzotaj</b>	46	569	615	569	116	139	314

*Tab 9: private undertakings as per sectors*

	Big enterprise	Production	construction	SME	Transport	Hotels and services	Agriculture, fishing
<b>Gjepalaj</b>	6	4	2	35	4	25	6
<b>Maminas</b>	22	18	4	110	8	98	4
<b>Shijak</b>	83	63	20	417	66	345	6
<b>Xhafzotaj</b>	116	66	40	453	62	383	8

As proved by Tables 8 and 9, small and medium enterprises make up about 8 percent of all private businesses in the four selected units. Among large businesses, manufacturing dominate them, mainly in extraction and processing of clay and gypsum. Distribution of private businesses and small medium friend almost the same in the four selected units. Economic activities are mainly concentrated in the sectors of transport, services and agriculture, although the services sector occupies a significant specific weight (about 90 percent) compared with other sectors. Figure 4 graph shows the number of public and private businesses in each unit compared with the average number of activities at the district level. As concluded from the figures, in each of the selected units, the total number of activities is far from the average value of the same indicator at the district level.

In order to create a more complete idea on the importance of existing economic activities in the area, Figure 5 compares these activities to the population of each unit as well as the average value of the same indicator for the district.

Figura 4: Numri i bizneseve

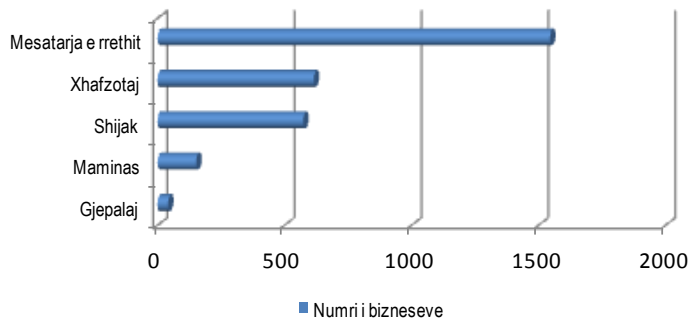
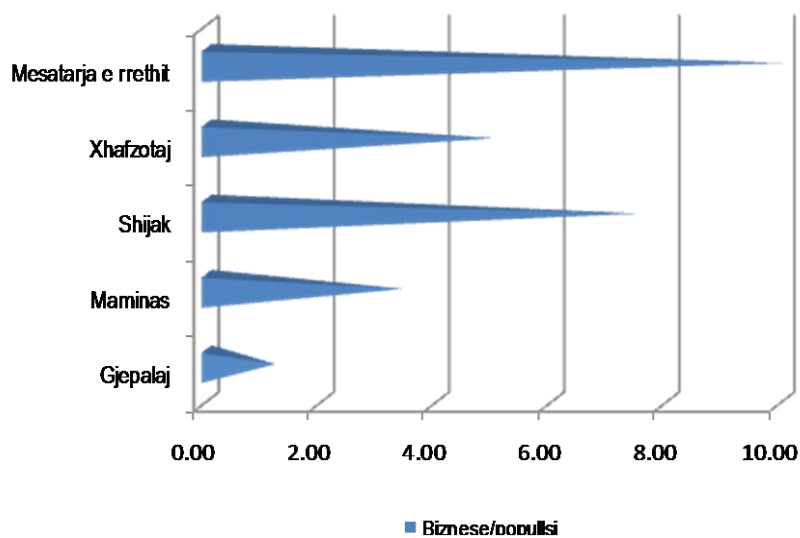


Figura 5: Veprimtari ekonomike/popullsi



### ***Agro-tourism and Family tourism***

After the process of urbanization, the most dynamic in the commune of Xhafëzotaj due to proximity and quick access to the corridor Tirana - Durrës is a profound structural transformation of the local economy away from agriculture and industry, and residents and entrepreneurs oriented towards sectors more productive. Commercial activities and services, which in all countries emerge and thrive from urban agglomeration, have been the main contributors to growth in the area. Considering the geographical position of the area of Shijak is obvious that tourism is a very important component of the services sector, which is showing signs of growing potential for coastal, cultural and eco-tourism, starting from a very low nontechie hearts . With the high pace of construction, especially in coastal areas, the

construction sector has become one of the most dynamic sectors of the economy in the region of Durres.

Main challenges for tourism sector will be the development of quality services as high, for which domestic demand will rise along with incomes, the continuation of diversification in the field of agro-tourism and increase the quality sufficiently to enable competition in European markets. The spatial concentration of economic activities reflects and explains demographic distribution in the area.

***Factors that affect local economic development in Shijak area;***

As to the production potentials, the performance over the years show that Shijak is the area with the smallest potential product this and the nature of the area. It is the center of the area and the nature and development typical of a city. Three other municipalities have production potential to meet the needs of the local population and even some of the needs of regional markets, Tirana-Durres. Lack of formalization of trade exchanges directly affects the production potential and orientation towards the right profile products. With no amount of product contracted in advance, planning and motivation to "enhance" the farmers is very low. From the table it is clear that production potentials are nearly linear over the entire period for which data were collected. Also, worth noting that the rate of exploitation of available land is not greater than 60%. For each municipality has about 200 ha of land fallow. This affects directly and in the progress and development of processing industries operating in the area. They addition of low processing capacity in many cases work seasonally. In general, this area has benefited little from the subsidies, because of government policies within the allocation of funds by region.

Overall Durres region is part and study area is always ranked in the regions that have benefited less with averages of up to 2012 of 200,000 USD, while planning for 2014 for the region of Durres is approximately 8 million lek, or 80,000 USD. This is a negligible figure compared with the needs of the sector. Only 2014 study area has around 5,500 farms that are potential for application to benefit from the government program to support farmers.

*Productive potentials 2009-2014*

Year	Nr	Product	Shijak municipality	Xhafzotaj	Maminas	Gjepalaj
2010	1	Fruits		100	750	20
	2	Vegetables		1800	3193	80
	3	Olives			617	15
	4	Vineyard			1411	201
	5	Citrus		200	238	
	6	Meat		100	196	
	7	Milk	30	200	2759	1200
	8	Eggs		5600	1732	
	9	Honey		1	5.8	
2011	1	Fruits		90	750	20
	2	Vegetables		1670	3109	80



	3	Olives		30	605	15	
	4	Vineyard		150	1410	230	
	5	Citrus		270	260		
	6	Meat		160	187		
	7	Milk	30	234	2800	1200	
	8	Eggs		5600	1732		
	9	Honey		1	5.8		
	2012	1	Fruits		120	780	30
		2	Vegetables		1700	3200	100
3		Olives		30	620	15	
4		Vineyard		140	1390	230	
5		Citrus		240	250		
6		Meat		180	190		
7		Milk	30	234	2800	1200	
8		Eggs		5500	1700		
9		Honey		1	5.8		
2013	1	Fruits		110	760	30	
	2	Vegetables		1600	3200	100	
	3	Olives		30	620	15	
	4	Vineyard		140	1390	230	
	5	Citrus		230	200		
	6	Meat		150	170		
	7	Milk	30	230	2600	1200	
	8	Eggs		5550	1650		
	9	Honey		1	5.8		
2014	1	Fruits		100	750	20	
	2	Vegetables		1800	3193	80	
	3	Olives			617	15	
	4	Vineyard			1411	201	
	5	Citrus		200	238		
	6	Meat		100	196		
	7	Milk	30	200	2759	1200	
	8	Eggs		5600	1732		
	9	Honey		1	5.8		

***Analysis of strengths, weaknesses in the economic development of Shijak area (SWOT)***

1. Strengths and opportunities arising from their natural area and historic, geographic location and a workforce relatively qualified.	1. Poor physical infrastructure is a major concern for all local stakeholders especially local businesses. Unreliable supply of electricity was the main concern, but inadequate sewage systems and water supply are also widespread.
2. Agribusiness is a fundamental pillar of the local economy and focus discussions identified an optimum potential volume expansion and marketing agribusiness sector to supply the domestic market.	2. Informal business competition represents a major obstacle to the business community. Private sector development is further hampered by high levels of corruption and bureaucracy burden of local public institutions.
3. Another strong point is the beautiful natural environment of the area and its rich cultural heritage that are great resources for development of exciting tourism infrastructure when appropriate structured tourism promotion is in place.	3. The capacity of municipal institutions in general was found to be insufficient, communication and cooperation between local government and businesses is lacking, which is why municipalities are often seen as an obstacle rather than a promoter of business.

***Analysis of local actors - determining the performance of national development;***

There is no consolidated data and reliable for different actors of non-governmental sector in Shijak area. However based on the best practices identified in Albania and in Europe water users associations for example, proved they were if appropriate mechanisms to manage irrigation infrastructure and water distribution at the local level and significantly improved access to and management of water resources at local level. Based on these successes, we need to be paid more attention to capacity building of structures to coordinate and facilitate the operation of channels while maintaining the concept of a user management system. In addition, farmers will receive more advice on the efficient use of water for irrigation and improve resource management and sustainable management. The table below presents data and contacts various agricultural associations in the area.

Emërtimi	Rajoni	Komuna	OJF	SHBB	Funk sioni	Nr. Antarëve		Emri Presidentit	Telefon	Aktiviteti i shoqates
						Gjithsejt	Femra			
<b>DURRËS</b>										
Shoqata Fruta Perime Xhafzotaj	Durrës	Xhafzotaj	OJF		po	11	0	Dashamir Hoxha	68237709	Prodhim shitje fruta perime
Shoqata "Vellezerit Vora"	Durrës	Xhafzotaj	OJF		po	8	0	Nexhmi Vora	693251339	Prodhim perpunim shitje verë
Shoqata e "Vreshtaret Koxhas"	Durrës	Xhafzotaj		SHBB	po	8	0	Xhelal Dervishi	682277370	Perpunim verë
Shoqata e Mekanizatoreve Rodon	Durrës	Ishëm	OJF		po	20	0	Agim Cani	692126349	Sherbime mekanike
Shoqata BIO-Ishmi	Durrës	Ishëm	OJF		po	7	1	Vlash Lazri	684010556	Asistence teknike
Shoqata "Demokracia"	Durrës	Rrashbull	OJF		po	35	25	Halit Shahini	682232753	Shitje prodhimi blerje inpute
Shoq. vreshtave dhe prodh. verës Rrashbull	Durres	Rrashbull	OJF		po	17	4	Kujtim Vidhi	682077982	Perpunim shitje vere
Shoqata e fermereve "Erzeni"	Durres	Katund I Ri	OJF		po	9	0	Flamur Balla	682979616	Ass.teknike
“ SHBB Maminas”	Durres	Maminas		SHBB	po	8	1	Medi Koni	666067674	Fruta perime, Vresht
SHBB “OLIVOIL”	Durres	Rrashbull		SHBB	po	9	1	Kastriot Qerreti	685233043	Ulli dhe vaj ulliri
<b>10</b>			<b>7</b>	<b>3</b>		<b>132</b>	<b>32</b>			

National sector-related policies and their response towards Shijak area needs; Local economic development is the responsibility of a number of governmental and non-governmental institutions and actors. The process of implementing the program of functional area for economic and social development and medium term budget program, represents a platform on which institutions can exchange views and agree on further steps to achieve a common goal for sustainable development. This platform should be used with more determination and should not remain in the general macro level. It must contain sufficient detail to allow the responsible persons in different institutions to translate these goals into concrete actions. This becomes even more important in a decentralized environment. At the same time, the Government will need to determine the best indicator monitoring, allowing analysis of the impacts of alternative actions and to encourage their review where necessary. Today, the primary role of the Ministry of Agriculture is to establish and customize a framework of policies and laws enabling agriculture to operate efficiently and successfully as well as to ensure the provision of services for small farmers to just created. Since the reform, the Ministry has provided a number of support services such as those of extension, research, livestock and animal disease control and plant protection.

These reforms resulted in a large number of staff available at the district level. However, staff working for these services is small in number and its part lacks the necessary qualifications, and consequently the quality leaves much to be desired. Services should be defined in more resources and more training is provided. Requests for public service have changed, while staff often remains the same, trapped somewhere between the old structures and new with clear responsibility still undetermined.

It would be extremely important attraction of skilled labor to government services and defining the areas of responsibility according to the changing requirements of a private rural sector functioning. Reforms and national strategies are a good start for this development; yet it is necessary to make further efforts to make the Ministry customer oriented. Undoubtedly, an important first step would be switching to a civil service that makes his posts also work locally with attractive and safe.

***Analysis of the organizational structure and the suggested scheme for the new municipality in view of local government reform;***

Shijak municipality has an administration of 52 employees. Gender structure of the municipal staff is 50% female and 50% male. Hall is organized in three main director, economic development, support services, and urban planning. The staff of the municipal administration in 80% of it is higher education (the functions of directors, responsible and specialists) and 18% with secondary education (mainly employees who perform maintenance tasks, drivers, cleaners). Municipality of Shijak and the Mayor, through the structures of dependence make responsible a smooth running of services provided by the municipality such as cleaning, maintenance of roads, green areas, kindergartens etc. In these structures they employ about 68 employees. Shijak municipal council consists of 17 members, the council meets every month with meetings open and closed according to the agenda which is made available to each advisor days before the meeting. Decisions taken by the Council regulation. Municipal Administration works under direction of Mayor, assisted by deputy mayor. Municipal Administration is organized into departments, sectors, office and administrative center. Civil service positions according to hierarchical order, are: Director of Directorate /, an administrator, Head of Sector / Office Specialist. Departments are the basic units of the municipal organizational structure Shijak and respond to one or more elements of a specific area. Sectors respond to isolated aspects of these elements and the latter divided into office when it is possible.

Organizational structure, names and number of staff are determined by the Mayor and approved by City Council. Directors of control and are responsible for the progress of some sectors according to the administrative structure approved. Shijak municipality guarantees its function through taxes provided by law, as well as temporary taxes and fees approved by the municipal Council:

- a. Taxes on property
- b. Simplified profit tax for small businesses
- c. Tax on environmental impact from the construction of new infrastructure
- d. Tax on transfer of property right on immovable property
- e. fee for the use of public space
- f. Fee on billboards
- g. Tax temporary market
- h. Green area fee
- i. Fee cleaning and waste removal
- j. Fee for permission to use structure
- k. Vehicle parking fee
- l. Fee on public lights
- m. Administrative service fees Municipality
- n. Fees for public transport
- o. Sale authorization fee for fuel
- p. The authorization fee for traffic in city
- q. fee for issuing permits exercise activity
- r. Veterinary service fee
- s. Urban planning fees

t. Taxes administered by tax agents

Public Relations: written requests and complaints submitted to the Public Relations sector. Deadline for submitting answers to citizens' requests or complaints is 40 days from the date of its filing under the law, but in everyday practice is accelerated. Receipt of citizen complaints and requests is made by employees of the Sector, who as citizens hear, jointly satisfy the relevant form and follow the application / complaint relevant directorate, depending on the specifics of the request or complaint. Visitors will be allowed to enter the office, just at the clerk's office waiting to be communicated and have received approval from the clerk who receives a visit. In any case, the visitor equipped with a badge, stating the office that receives and duration of the visit. Working hours are 8:00 to 16:00 every day from Monday to Friday. Facing difficulties in local government after the creation of new municipalities in Albania will require a holistic approach to strengthen the capacity of government institutions and civil society. Many local governing barriers are widespread, often with responsibilities distributed among several state institutions and therefore require a systematic approach to strengthen capacities at all levels of government. Government complex challenges, such as reduction of corruption cases across the public sector and strengthening the rule of law, require a medium-term strategy / long supported sustainable cooperation and monitoring mechanisms. Addressing these challenges will require sustained effort, strong policy coordination, enhanced capacity building of state institutions, and meaningful engagement with civil society. Hall can achieve tangible results in these areas by setting priorities, necessary actions, and institutional responsibility, and distributed resources, including the foreign assistance funds. Criteria and requirements for the process of EU accession negotiations provide a useful guideline for the event, even though the government at the national level may also consider addressing other challenges problematic local government, which go beyond the EU acquis, especially those who affecting the delivery of public services and the business environment (including a focus on social benefits, increased transparency in the financing of health, and reduce informal payments). To move beyond legal requirements and changes, government should determine the level of expected results and intermediate goals with reference to measurable indicators and ensure regular monitoring of progress in implementation. This results framework would be ideal if included in the process of design, implementation monitoring and evaluation of local territorial development plans. Integrated Planning System is connected to a considerable extent, political priorities and budget preparations at the local level and marks a significant achievement in this regard. However, policy coordination and monitoring capacity in the central government must be strengthened, particularly to ensure stable and consistent implementation of reforms that require action by local government units. Clear division of responsibilities for the main results for each level of institutions will help to improve the coordination between the multiple agencies involved in different aspects of a given reform. Improved monitoring of the status of implementation of new laws and policies will help these policy measures to achieve concrete results and not simply remain "on paper". Systematic monitoring institutionalization of compliance of public administration actions and court decisions will help address major problems in the rule of law. Inconsistent application of laws and regulations can be addressed through improved planning capacities in government laws and through more systematic consultations with stakeholders.

At local government level can reduce deficiencies in implementation waiting up for submitting new draft for approval by Parliament, and taking the necessary budgetary measures and the preparation of secondary legislation that clarifies the implementation plan. Also, many implementation problems can be circumvented through the wider use of advanced consultations with stakeholders (such as business associations) while preparing new laws and regulations affecting their activities. Regular consultation with civil society could also help in monitoring the implementation of laws and regulations and making timely adjustments to reduce the risk of unintended consequences that can bring new legal instruments.

Simplification of procedures, establishing clear standards of service, and public awareness also have the potential to improve the delivery of public services, to reduce informal payments, and to strengthen public confidence. Evidence from recent studies do not confirm the growth trend of satisfaction of businesses and the general public with the services provided by public institutions. Further improvements can be achieved through political reforms to ensure the sustainability of funding for key services such as urban waste, water and transport, combined with measures to strengthen accountability for the performance of providers. Develop clear procedures and service standards for key regulatory functions and public services, in accordance with dedicated effort to raise awareness, should strengthen demand among businesses and enterprises, and enable performance improvements. Regular commitment to key indicators of the results of municipalities, and service providers will require significant effort and resources, but likely will bear fruit in increased accountability, performance and public confidence.

Beside fiscal policy, quality of governance significantly affects economic growth. Efficient mode of governance and the functioning of public institutions have a direct impact on the decisions of businesses and result in the development of the private sector. The level of government can affect economic development by encouraging private investment or not, indirectly affecting the level of economic growth. The impact of the government in promoting investment firms is seen in two viewpoints, at macro and micro level. Macro level of government related to the impact of governmental policies and institutions, referring specifically judicial system, drafting and adoption of the legal framework, corruption, policy impact etc. And micro level represents a more direct connection between business and the state. Some of the main indicators that measure the impact of the decision-making state firms are: the quality of rules and information that firms possess about them, spend private time public employees' offices, the number of procedures for opening new businesses, providing bribery of public officials, lobbying, etc. The quality of governance and public sector institutions significantly affects economic development and serves to explain the differences in growth between countries. This is proven by various empirical studies. In this context, institutions affect the performance of the private sector in two dimensions: the macroeconomic plan mainly affecting the legal aspect, regulatory and restrictive to businesses and micro plan which reflects the close links between these entities dealing with getting licenses, payment of taxes, etc. One of the common elements of two dimensions, which significantly hinders the performance of businesses and creates uncertainty in decision making, is corruption. It appears that more direct forms such as bribery, to the tendencies to change the laws and regulations for private interests. Governance takes a special importance

especially in developing countries and those in transition, as the promotion of good governance requires fundamental changes in the way relationships are built within the political and economic system. Created political systems of countries in the transition from the communist system in transition economies played an important role in the implementation of economic reforms to accelerate the transition process. The most obvious example are the countries of Central Europe and the Baltic republics, which successfully passed this stage, thanks to a political system and good governance. But Albania has not done enough in this regard. Values governance indicators continued to adversely affect, or very little positive in the quality of governance even after almost 20 years since the start of transition. Political balance remains fragile and this has contributed significantly to the implementation of economic reforms and their continuity. Although it is assessed positively on the quality of laws and regulations, respect and implementation is problematic. Also inefficient public service level, low control corruption, frequent political destabilizations have made Albania be classified in the last countries in the region and be very far from the average of the European Union and Central Europe.

***Factors affecting the efficiency of the public sector:***

Measuring efficiency generally means evaluating costs and output achieved and compare between them. We can say that public sector activity is efficient if by determining the amount to be spent, to ensure the greatest benefit possible to the population of a country. Some of the factors that affect the efficiency of the public sector are: budgetary practices, human resources management; practices 'e-government', fiscal decentralization, privatization, performance evaluation efforts, competition and coordination within the government. From empirical research is needed to provide information about the effect that has on the efficiency, use and or a combination of different inputs. Significant results were found in three areas: First increase in efficiency can be secured through increasing the number of operations, based on data obtained mainly in education and health sector. But the effect on other public services such as equity in access to services, quality and effectiveness of services, should be taken into account when using these methods to improve efficiency. Secondly, political and functional decentralization of governance is very important for increasing the efficiency and thirdly human resources management also has significant value. One aspect of the effect of human resource management is employee satisfaction and pleasure seeking and motivation at work. Also wages, job evaluation, autonomy, etc. are other aspects. Factors affecting the efficiency of the public sector can be divided into three categories: economic factors, institutional and demographic. Economic factors leading more classified according to the theory and empirical studies are per capita income, inflation and trade openness index. Income per capita impact in two ways. They can increase the costs of public services, but also can affect the output positively realized by public sector. However on the basis of empirical studies (La Porta et al. 1999) in the poor countries and the developing observed a positive correlation of these two variables, ie low income per capita and poor performance and government efficiency. Inflation is a variable that affects negatively, because complicates the economic decision-making. The index of trade openness affects positively through increased competition in the country, including the public sector, although it is not directly related. Also, the higher the index, the more

is a country open to innovation and technological progress. Institutional factors, as mentioned above are important contributors to the performance and efficiency of the public sector. According to Putnam (1993) and Gellner (1994) the rate of development of civil society influences the efficiency, cooperation between citizens and non-functioning of state institutions allows them to have more effective control over politicians and administration officials. Control of corruption is one of the institutional factors which considered both intuitive. Other variables are: the degree of democracy, budgetary practices, accounting and reporting, years of residence in the government of a political force, social infrastructure, etc. Demographic factors. The age distribution of the population is a factor which mainly covers education and health. Young population with increased costs in the education sector compared to output produced in this sector. But an old age population has the same effect, but in the health sector. Population density positively affects efficiency, reducing costs of providing public services through economies of scale and reducing transaction costs. According to various studies the climatic factors do have effects on efficiency.

### ***Difficulties in assessing efficiency***

Measuring efficiency requires knowledge of qualitative and quantitative information about the costs and output of public goods and services.

### ***Methodological Aspects***

The techniques that are used most widely in recent years are non-parametric Methods (DEA) and parametric methods (stochastic frontier analysis). However, these two methods are considered still in their development stage. One of the disadvantages of both methods is that the evaluation of the efficiency depends heavily on technical trials, which in their nature are more political, rather than purely technical. So when we study the efficiency would be essential to involve policymakers in the process of model building. One of the advantages of stochastic frontier approach to DEA analysis is that not only assesses the inefficiencies, but also highlights its possible causes. However, non-parametric methods widely used in the analysis of public sector efficiency due to its simplicity and application in small number of observations. Also these methods face in the comparative analysis of efficiency between different countries.

### ***Setting goals;***

The problem of efficiency is multidimensional. Objectives in which is run efficiently influence government and their determination is important. It may happen that a government is oriented towards national defense. Channeling more spending in this direction even though it may be efficient, it leaves little room for spending in other areas such as education, health, social policy, etc.. On the other hand it must distinguish opposite case when governments are oriented toward appropriate policies, but have an inefficient use of expenses. The two cases mentioned cause inefficiency in resource allocation. What are the factors that can cause inefficiency when government objectives are they the right ones? First a problem which is very present has to do with the shift of costs from those areas or activities that are most in need, based on criteria of justice in the distribution to have a sustainable development, for example. health costs can be shifted from rural to urban areas, from diseases affecting the



poor in those affecting the elderly, or the rich, or relocation expenses for primary education in the secondary and tertiary.

Another problem which not much attention is paid to the ways of measuring the product of an activity carried out by the state. If we take the case of education and health, which are activities that require more intensive use of labor factor. A significant portion of expenditures for these categories goes for salaries and administrative costs of persons who provide this service as teachers, doctors, etc. In return, they should realize a product which bring benefits students, or patients. If the expenses incurred, unless accompanied by a high productivity from their providers then we say that government spending carried out in this direction are unproductive or inefficient and provide a lower benefit people in need. So this issue is related to productivity, or rate of return on these expenditures. Thirdly corruption through its various forms has been shown to negatively affect efficiency and productivity. It is presented in the public sector in the form of ghost employees, who receive a salary but do nothing, or dual which makes individuals to invest less energy and less attached to working in the public sector, absence from work for various reasons, increasing artificially staff, nepotism, etc. Krahës factors mentioned above there are other factors relating to the culture of different countries, as attitudes towards work, or the intensity of working, climatic factors related to the impact of weather conditions, eg hot afternoons, or the intense cold , or factors associated with religious traditions, for example during holiday breaks, etc. These factors are present and play an important role, but their definition and measurement is quite difficult. Another factor that affects the efficiency of the use of expenditure is addressing them in investments that do not have a very high return. This phenomenon is called relocation costs. P.sh since we are in the education sector, the level of illiteracy is an indicator of the performance of this sector. This indicator is higher in mountainous areas, outlying areas of the city, as well as in rural areas. In this context, substantially more government programs has been the orientation of development expenditures in rural areas or areas not too developed to provide an estimate of the economic development in all areas. But not always these funds have gone in this direction by undergone a shift towards urban areas causing these investments do not have higher profit potential, which is the primary condition of efficiency (World Bank, 2006).

### ***Performance and efficiency through indexes***

Performance and efficiency of the public sector is important if we want to draw a connection between the size of public spending and the benefits they receive from their citizens. Index Public Sector Performance (PSP): The performance of the public sector is defined as the output of the activities carried out by the public. It is an important instrument through which it can be made improvements in public sector management. As commented above the size of the public sector is closely linked to the performance and efficiency of the public sector. In this context, the question naturally arises: How much does the size of the public sector in its performance? From a theoretical perspective in democratic countries the size and structure of the public sector is not endogenous but reflects the preferences of voters, who decide on the level of intervention and priorities that should be the government. But in practice this is not so for several reasons: Firstly voter preferences can be distorted by the lack of information about the size of the public sector and the inverse relationship it has with

the private sector. Secondly it is often possible to change the output of the public sector without changing its size, or to produce the same output with a smaller size, changing the structure. Thirdly preferences of society in relation to public activities are in accordance with economic and demographic developments. Fourth during periods of recession more interested citizens to unemployment and social security than in periods of growth. Fourth preferences of citizens can not be taken into account by politicians and administration officials. To give a more concrete answer to the above question will analyze the findings regarding the evaluation of performance (Afonso, Schuknecht, Tanzi 2006) and compare them in different states. Afonso Performance Index et.al 2006 analyzes the impact of public spending in the well-being of citizens, based on some economic and social indicators that are classified as indicators of opportunity and indicators Musgrave.

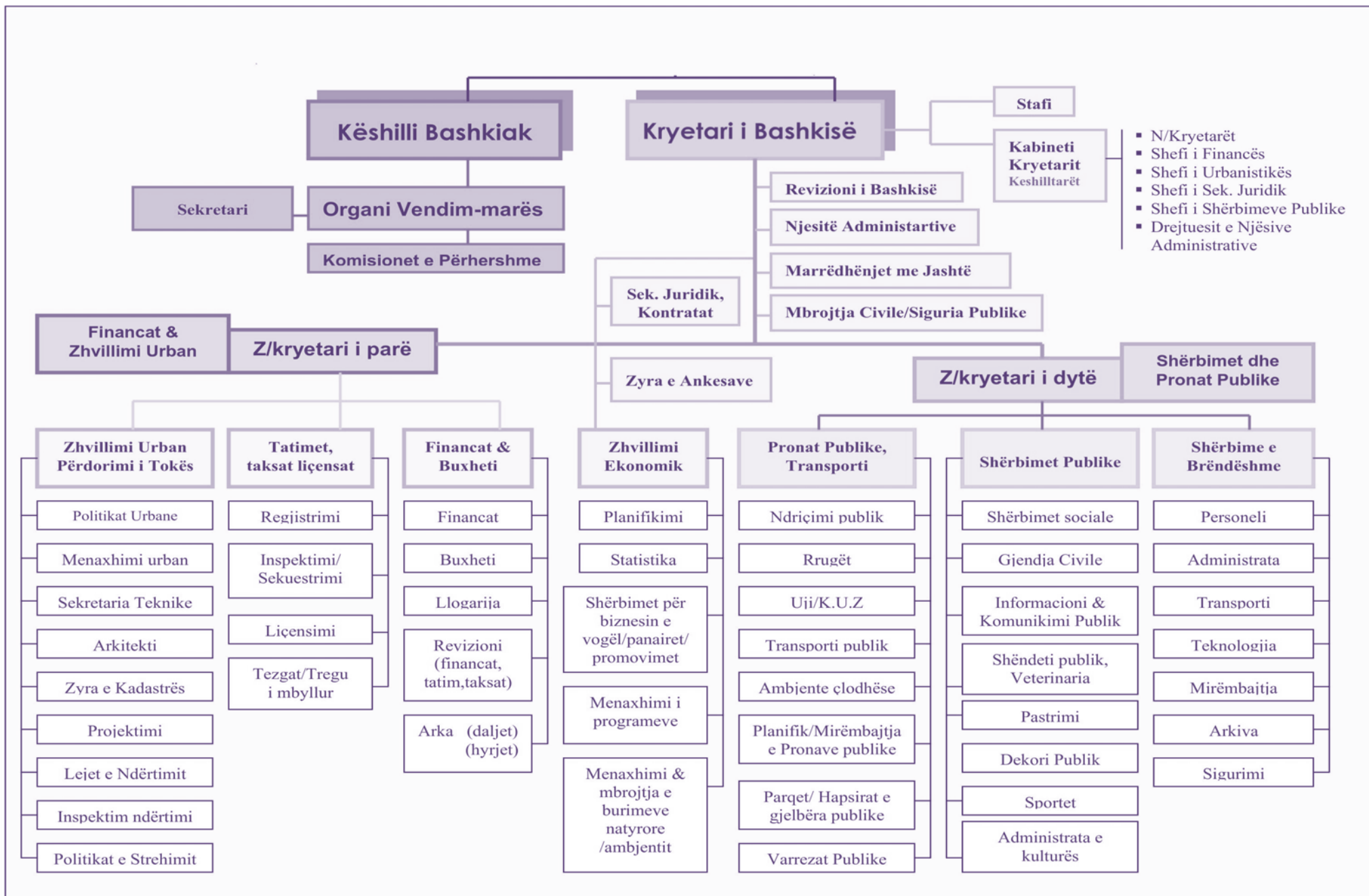
Indicators of opportunity;

1. Administration - is one of the indicators, which includes elements such as corruption, the quality of the judicial system, the informal economy. These elements affect the performance of public sector performance from the standpoint of securing property rights, law enforcement and the creation of a suitable regulatory environment for development.
2. Education - is a key element of economic growth of a country. Therefore its quality shows whether government spending made in this sector have really influenced its improvement. The quality of education is measured by two indicators: the number of pupils enrolled in secondary education which evaluates minimum knowledge a student should have to have the same opportunities in all industrialized countries, and the results in the case literature, mathematics and other scientific subjects.
3. Health - the government spending towards health sector are important. As a measure of quality in health expenditures are used infant mortality and life expectancy. These indicators reflect the best quality health services and equal access must be the population of a country on this service. Basic health service is seen as a necessary condition to have equal opportunities in the market economy.

Standard indicators Musgrave

While the above indicators were more microeconomic nature, focused on specific sectors, Musgrave indicators have more macroeconomic character. They are focused on the effect of government spending across the economy and more specifically are:

1. Distribution of income - to assess this element is used Gini coefficient, which measures inequality in income distribution in the country, providing information about the level of poverty. The improvement of this indicator, meaning more income as belonging to 40 percent of the population is poor, the better would be the government's performance on this indicator.
2. Economic stability - is another important indicator of a country's development. The average inflation rate for a 10 year period as well as the sustainability of economic growth are used to evaluate the effect of costs in terms of economic stability.
3. Economic performance - is also associated with the above indicator. Through this indicator assess whether the government is making a distribution of resources which maximizes the well-being of citizens. This indicator consists of three variables: gross domestic product per capita, the growth rate of real GDP for a period of 10 years as the unemployment rate.



### ***Recommendations for medium term measures;***

- ÷ Modernization of support and training services for local level staff to enable customer-oriented through the restructuring of the incentive base;
- ÷ Attracting qualified staff within the civil service, increasing the safety and sustainability of the workplace and applying attractive salary package;
- ÷ Definition of responsibilities of municipal sub-structures as part of the process of consolidation of new units of local government;
- ÷ Completion of preparation of bylaws, which clearly define the responsibilities of different levels of government, their powers and decision-making transfer of funds; and
- ÷ Processed job profiles and training needs assessment for municipal civil service.

### **Public services delivery as an assessment of Shijak governance principles and its autonomy:**

- ÷ *Necessary public services in the area in response Shijak strategic goal of sustainable and integrated development;*

In this section of the report will be analyzed three core services: transportation within and outside the area, access to water supply, as well as collection, storage and processing of waste. Before analyzing each of the public services mentioned above, let's explain what is the difference between these services and public services. The use of these terms is not accidental: According to the literature, public services represent services provided by the government to its citizens, either directly (through the public sector to the production of public goods) or not directly (by financing private provision of services), usually accompanied by social consensus on what a number of services will necessarily be provided to all citizens, regardless of income (Chavez.D, 2006). In this sense, the above services can not be considered public services, but can be categorized as public utility services.

#### ***Box 2: Municipality Shijak***

*The study showed that the LGU Shijak no organized extraordinary meeting of the Council in the past 2 years. Council decisions are documented in writing and made public. Shijak LGU has a medium-term budget plan for this year and the following two years which was approved in the Council and is also made public. The data of the budget document shows that the budget for this year is not prepared and is not approved in the Council. The study showed that the budget is made public and that are audited balance LGU for the last year and that the latter was adopted at the Council meeting. Minutes of meetings of the group strategy and integration budget verify that this group is established and functional. The study shows that there is a Strategic Development Plan prepared in LGUs during the past 5 years which was approved in the Council and made public without making adjustments. The study noted that there is a strategic plan for waste management for last 5 years and waste management strategy is not adopted by the Council of LGU nor made public or updated.*

### **Urban waste**

To assess the actual process of waste management in the area of Shijak in each unit of local government, the research group conducted a detailed analysis of the SWOT method. This evaluation consisted in identifying the advantages, weaknesses, opportunities and threats that the whole system or its component elements display. To realize this analysis are all used data collected from meetings and reviewing all relevant documentation related directly or indirectly waste management, in terms of legal and administrative aspects, qualitative and effective, economic and environmental. Results of this analysis are summarized in the following table:

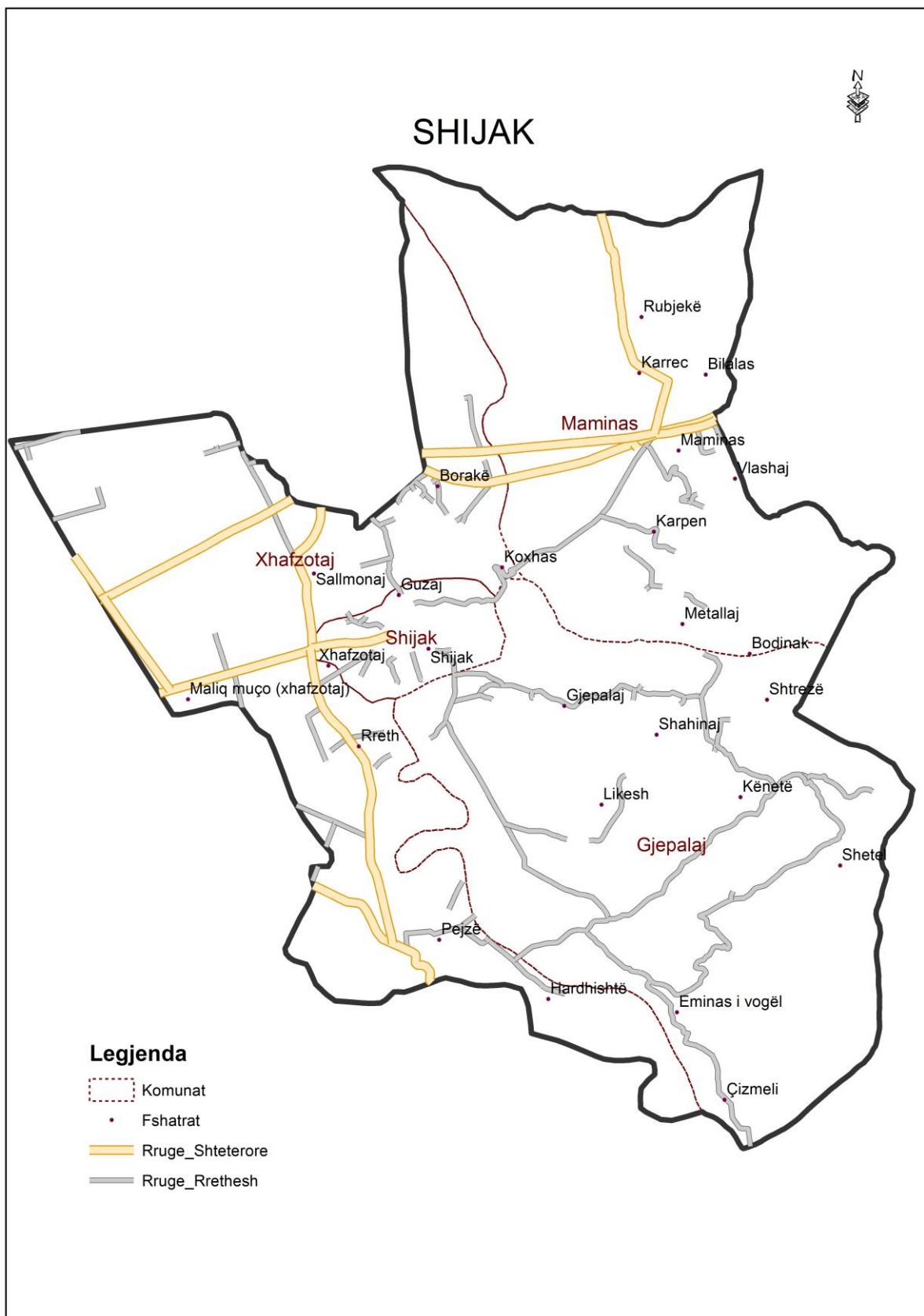
<b><i>Strengths</i></b>	<b><i>Weaknesses</i></b>
<p>In local development plan issues of environmental protection and waste management are prioritized at regional and local level;</p> <p>Local authorities in each unit in the area are aware that improving waste management and cleaning services specifically are key to sustainable economic development, tourism development, etc.</p> <p>Local units are engaged in the pursuit of a supportive policy towards improving the local budget for waste management, both in terms of spending growth for many services and for more investment (placement of bins for differentiated waste collection);</p> <p>Shijak area has increased demand by businesses and the local economy and the community to contribute more toward improving waste management service;</p> <p>Shijak Municipality in cooperation with surrounding municipalities has a potential application of schemes to integrated waste management; thanks to the presence of private businesses that deal with the treatment of waste that can be recycled, the used lubricant oils and other residues from metals.</p>	<p>In all LGUs required legal instruments are lacking (eg, local plans of waste management, internal regulations for the administration of waste, protocols, standards and obligations for service providers, citizens, businesses, etc.);</p> <p>The failure to service the municipality, brings uncertainty to the duties and obligations of the municipalities, as well as a source of pollution and additional costs for municipal cleaning entity, which provides this service;</p> <p>The local units of limited human capacity, not-trained to provide a service to standards, technical and administrative shortcomings in the local staff of the waste management, and lack structures directly responsible for monitoring and prevention of pollution from urban waste;</p> <p>Local financial possibilities (approved budget and the actual level of tariff collection) are not sufficient to meet the investment needs (such as the construction of a proposed new landfill), municipal priorities and objectives;</p> <p>Waste management service, thanks to infrastructure damage (open points or non-standardized waste collection volumes), and insufficient coverage, it is neither efficient nor effective;</p> <p>Waste disposal areas in all district municipalities manage waste not, are outside any technical or environmental standard, not the gateway and security; lacking staff and technical means; residue monitoring is not carried out; It has the presence of all types of waste including hazardous; in most cases they are along river banks; near some landfills are old oil wells, which affect waste self disposal;</p> <p>Rehabilitation and safe closure of the current landfill sites has a high environmental cost; In all units of the county lacks reliable measurement of waste</p>

	<p>generation, technical data, statistical, for consumers (information type as demographics, tourist, commercial and entertainment units, hotels, etc.);</p> <p>All local units of the county do not develop regular areas of community awareness;</p>
<i>Opportunities</i>	<i>Threats</i>
<p>Setting priorities and targets for radical change to the waste sector by providing support and logistics to LGUs;</p> <p>Planning sustainable waste management functional areas Shijak will bring greater expectation of financial support from central government, donors, and foreign programs;</p> <p>Small map of the area allows the units to enter more easily into inter-local schemes for provision of different waste services, aiming to reduce the cost and increase the performance of the service;</p> <p>Discussion groups focused on waste management is contributing to capacity building Technical experts from each unit in the area Shijak;</p> <p>The need to build a new landfill seen a significant opportunity for waste disposal and a good opportunity to minimize illegal landfills in the open;</p> <p>There is an interest and willingness expressed by communities</p> <p>Local and particularly by young urban voluntary initiatives cleaning and recycling.</p>	<p>Continuation of waste disposal in the fields of improvised poses a potential risk to human health, natural resources (land, water, air) and for the development of tourism in all local government units in the area;</p> <p>Pressure to close the current areas for waste disposal would create an alarming situation for the inability of waste disposal, as long as the government does not have to develop any other infrastructure for waste treatment;</p> <p>Mixed collection of all waste streams particularly hazardous waste streams grew more likelihood of the spread of contamination;</p> <p>Limited financial possibilities in all LGUs the extent of the service area in the periphery threatens illegal addition of points / open waste disposal;</p> <p>Economic ruin of a broad layer of the population of the area to pay clearance fees; Low awareness of pay, lack of mechanisms for sanctions makes it impossible to cope with the cost of this service by fees;</p> <p>The lack of concrete initiatives for recycling or composting of waste would increase the amount of waste that must be destroyed in treatment plants, thus increasing the costs of transportation and handling;</p> <p>Lack of system of differentiated waste collection has concluded in accessing a relatively small amount of waste recycled, what limits the interest of the development of the sector or the involvement of private enterprises.</p>

## ***Transport***

Since the projects implemented in the field of transport in the Shijak area are highly technical and does not provide an access to the public transport service –a competence of local government units, the research teams found useful to assess the situation in this sector too. this section is intended for further analyzing forms and modes of interaction between local units to regulate the good functioning and management of the transport service. The findings will pave the way to such analysis also apply to other public services in the context of decentralization and interaction Inter, as well as draw attention to the first local institutions to

initially transport as a service to the citizens and not only as physical infrastructures and road. Table 10 reflects the situation of transport in the four selected units. The study in general shows that decentralization reforms have had an impact on service fragmented, where all the



companies offer different standards and conditions, while local governments have understood narrow angle reforms of the right to license without focusing properly on quality of service. On the other hand, while the integration of the service needed at regional level, the possibility of interaction in the local government in the case of public transport is not sufficiently explored and exploited, probably based on the fact that there are no clear instructions on access and structuring of this cooperation. The conclusions of the study encourage debates the integration of public services at regional level and on the administrative-territorial reorganization of the country. Transport is depicted through data on length of roads as well as closer distances remote from the center of the unit at the center of the circle or the national road. Also, the number of urban service lines is used to supplement the information on transport.

Tab 10

	Length of roads, km	Closest distance, km	Closest distance, minutes	Farest distance, km	Farest distance, minutes	Lines of urban service
Gjepalaj	56	6	3	10	60	1
Maminas	26	19	15	20	15-20	3
Shijak	35	12	20	38	40	1
Xhafzotaj	46	9	25	70	45	0

The analysis of data presented in the table 10 can provide only some key elements, while it is difficult to create a full picture of the transport service, and even less, to assess the quality of this service. In the most expanded territory of commune of Xhafzotaj, where the distance between two different locations is the longest there is no public transport service. Anyway data in table 10 clearly show that current transport service is not a supportive factor for economic development in the area. There is a need for serious investment in transport facilitation.

### ***Water supply and sewerage***

Water supply and wastewater treatment are recognized as inadequate / unsatisfactory and represent an immediate need for improvement. Rehabilitation of obsolete water networks and also the lack of waste water treatment are identified as challenges majeure on some joint discussions with decision-makers and local partners. Although some improvements have been noticed of the possibility of access to infrastructure and a positive evaluation of local conditions in Shijak, water and sanitation remain the main priorities for most of the units within the area. Water utilities are decentralized and have noticed some improvements recently, but the quality is still poor. Another criticism is worthy of low fi ous municipal services with a high level of connections that do not pay the bill some water.

### **General information**

Technical analysis of public service water / sewer appears difficult, due to the inability to use the data. Relatively complete data are available from the UK Durrës, while the LGUs have



little or no information. Shijak functional area (Municipality of Shijak and communes Xhafzotaj, Gjepalaj and Maminas) water supplied approximately 35 percent of the population, averaging 1.5 hours per day. With the exception of population in the municipality Shijak, which supplies water to 76 percent of the population (if considered population data by LGUs) in other units supplied with water less than a quarter of the population (Table 11).

Table 11 shows that the population of the functional area is supplied on average 1.5 hours per day, respectively Shijak and Maminas 2 hours per day, while in Gjepalaj and Xhafzotaj 2 hours a day.

	Ujësjetës	Njësia	Shijak	Maminas	Gjepalaj	Xhafzotaj
1	Popullsia gjithsej sipas Census 2011	banorë	7.568	4.463	3.449	12.381
2	Popullsia gjithsej sipas Zyrës së Gjendjes Civile në NjQV	banorë	13.113	7.200	5.879	18.250
3	Popullsia që furnizohet me ujë	banorë	9.928	1.828	920	3.580
4	Popullsia që furnizohet me ujë (sipas Census)	përqindje	131	41	27	29
5	Popullsia që furnizohet me ujë (sipas NjQV)	përqindje	76	25	16	20
6	Gjatësia e rrjetit të furnizimit me ujë	km	3,7	1,4	1,1	4,1
7	Orët mesatare të furnizimit me ujë	orë	2	2	1	1
8	Familje të lidhura me rrjetin e furnizimit	nr.familje	2200	420	150	1400
9	Gjendja ekzistuese e rrjetit të ujësjetës e kanalizimeve	e mire/jo e mire	e mire	e mire	e mire	e mire
10	Gjatësia e rrjeteve dytësore	km	13,3	2	1,3	5,9
11	Indeksi i prodhimit të ujit					
12	Indeksi i shitjes së ujit					
13	Çmimi për m3	lekë	58	58	58	58
14	Shpenzimet kryesore	lekë				
15	Mbulimi i shpenzimeve në ujësjetës	%				
16	Gjendja e infrastrukturës së UK		e mire	e mire	e mire	e mire
17	Investimet e planifikuara		jo	jo	jo	jo
				Pa kanalizim	Pa kanalizim	Pa kanalizim

Source: UK Durrës February 2015.

Only 35 percent of households are connected to the network of water supply, respectively Shijak 75 percent, 25 percent Maminas in Gjepalaj Xhafzotaj 16 percent and 20 percent. Besides the above, the municipalities in the area face serious problems of water supply and sanitation. Improvement of water supply system and sanitation constitutes one of the key factors for the improvement of health conditions in these units. The main problems are: (a) the degradation of the physical network, (b) overconsumption as a result of using drinking water for agriculture, (c) lack of control over consumption including low price of water and the low level of billing, (d) non-consolidated institutions dealing with water supply, and (e) the lack of a strategy to improve services. Improvements in the municipality closely related to the decentralization process, which passes the responsibility of water supply to the local government. The role of government at the central level should be to provide the necessary regulatory framework that ensures the participation of community organizations in the management and decision-making regarding drinking water supply.

### ***Factors that affect access and quality of public services at the local level and Shijak area;***

Urbanization has demonstrated its potential impact on poverty alleviation. Movement geographic have the labor force, including population movements within the urban area, it is one of the adjustment mechanisms important that households can use to adjust their income

and their assets to cope with poverty, as well as and the escalation of unemployment. There is also evidence of regional convergence distribution of poverty. Significant alleviation of poverty in areas without or with difficult access to public services, which are the origin of many migrants, the numbers of poor and unemployed are indicators of revenue arising from immigration.

According to the evaluation, most of part of local actors believed that the quality of education has declined during the past decade, education levels have fallen, and that emerging illiteracy, especially in some new settlements semi-urban areas. Many parents, teachers, school administrators and decision-makers have stressed that the poor quality of teaching and low rates of school attendance are the main causes of this degradation. Enrollment has fallen sharply with the exception of pre. Semi-urban settlements, often inhabited by poor coming from rural areas, are destined to have a recording level below that average (Berryman 2000). Tests also show that the quality of schools reflects enrollment rates, reducing school enrollment rate further peri-urban areas.

### **Conclusions and strategic recommendations on governance and local economic development for Shijak area;**

There is a considerable space for a higher efficiency of scientific research operations, through an appropriate program of research, improvement of cooperation among the remaining institutions and a clear definition of priorities related to scientific research, which reflect the needs for Albania's development. The government should think about financing systems-oriented research needs, including competitive systems. Is it necessary to reduce the number of research institutions and consolidate those remaining into a national center with a limited number of dedicated branches. Some of those who need to remain would be the institute of corn, forage, grain, fruit-growing and livestock. Funding must be based on the costs for the development of seed breeding while specific scientific research in line with the government's priorities should be financed by the public. The production of embryos, seeds and vaccines should be transferred to the private sector. The main focus of research work should focus on adaptation and introduction of technologies that can provide a low cost, effective solution to the problems of farmers.

The development of agro-processing should continue being oriented private investment, instead of public sector investment, and there should be no attempt to revive the least profitable state slaughterhouses, milk processing factories and meat packing. In some cases, such as in rural areas, the municipality or local government can invest in the construction of slaughterhouses and refrigeration warehouses, giving them rent based on the principle of cost recovery. Such investment for the public sector would improve hygiene, reduce losses and reduce the risk of diseases carried by animals. The main tasks of the government will be the establishment of a transparent and enforceable regulations after extensive consultations with stakeholders in the sector. Further investment in terms of food safety are guaranteed, but it is necessary that they be planned carefully in order not to interfere with access limited anyway rural and urban agricultural products.

Albania has the opportunity to explore some agricultural commercial premises, as medicinal plants, olive products, honey and other bee products, cheeses and smoked meats. However,

these markets should be owned achieve consistently. Especially for medicinal plants, development should be oriented towards their cultivation than their collection in the wild, which threatens natural resource consumption. The processing of these herbs in Albania will increase their value. Government can support the regulatory framework and export opportunities for these products, as well as improve their reach within the agricultural extension. However, the operation will be entirely on private basis and will remain a profitable commercial space only for a small number of farmers who will set up their business in this direction.

Rural economy depends on the potentials in the non-farm sector. While agriculture will continue to play a dominant role, especially for catching the working of the labor force will be necessary to develop other businesses in order to improve opportunities to generate incomes in rural areas and to decrease unemployment. Thus, the development of non-farm will give its impact on migratory flows and the overall business environment in all areas, making it more attractive location for other services, but also to the people. The current development of the non-farm sector is the minimum scale and informal nature. It borders in the construction of the second hand (of low quality), minor technical services and personal. Only about 20 percent of these enterprises are spread in rural areas. In addition, over the last decade, the economy has grown rapidly in and around urban areas, low key, wherein the concentration of production factors has enabled better settlement and rapid investment.

On the other hand, the development of non-agricultural rural economy has suffered from a pronounced lack of institutional structuring, necessary for its development. A sectoral program planned for support and encouragement of investment in business development function with a focus on capacity building of local economic potentials, would serve more to regulate the current structural disparities. Information technology can help to connect more remote areas to markets, which they would not be able to reach with traditional tools. Competitive grant scheme funding can support an extensive program of rural development and to meet two important criteria - to be managed at the local level and imposed by the local environment. To promote the development of rural non-farm businesses, attention should be paid to the following key aspects:

- ÷ Capacity building and support for entrepreneurs in their spaces for production and employment;
- ÷ Education and training in terms of technical and business skills, and the introduction of low cost technologies, appropriate to exploit opportunities identified;
- ÷ Support for the development of business opportunities and market instruments for rural areas;
- ÷ Institutional capacity building in the areas of local government, civil society organizations and rural financial services; and
- ÷ Property improvements in discipline, institutional and commercial facilities that impede business development.