
| RESEARCH ARTICLE

Decentralization and Democratic Deepening in Albania: Challenges and Opportunities

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| ABSTRACT

This paper examines the relationship between decentralization and democratic deepening in post-communist Albania. Focusing on the period following the landmark 2015 Territorial and Administrative Reform (TAR), it analyzes the primary challenges and opportunities that have emerged. Drawing on academic literature, reports from international organizations, and findings from Albania's High State Audit (KLSH), the paper argues that while decentralization has created formal structures for local governance, its effectiveness in fostering genuine democratic deepening is constrained by persistent challenges in fiscal autonomy, administrative capacity, political polarization, and rule of law. The paper identifies key opportunities for advancing local democracy, including leveraging the EU accession process, strengthening accountability mechanisms, and enhancing citizen participation.

| KEYWORDS

Albania, decentralization, democratic deepening, local governance, territorial reform, fiscal decentralization, EU integration

| ARTICLE INFORMATION

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1. Introduction

Albania's journey since the fall of its starkly isolationist and centralized communist regime in 1991 has been a testament to the complexities of democratic transition (Zhlilima et al., 2021; Brahimi et al., 2013). The path toward establishing a functional democratic state has been characterized by profound political, economic, and social transformations. A central pillar of this transformation has been the effort to decentralize state power, a process seen globally as a crucial component of democratic deepening (Lika, 2025). The theoretical promise of decentralization is compelling: by bringing governance closer to the people, it aims to enhance government responsiveness, improve public service delivery, foster citizen participation, and strengthen accountability, thereby embedding democratic principles at the grassroots level. This is often framed within the principle of subsidiarity, which posits that public responsibilities should be exercised by the lowest level of government capable of doing so effectively (Lika, 2025; Myftari, 2024).

In Albania, the decentralization process has been a long and often arduous journey, marked by several phases of reform (Guga, 2018). The initial post-communist years saw a tentative and fragmented approach to local governance. However, the most significant and ambitious reform to date has been the 2015 Territorial and Administrative Reform (TAR). This landmark reform radically redrew the local government map, consolidating 373 often small and inefficient local government units into 61 larger, and theoretically more viable, municipalities. The TAR was not merely a technical-administrative exercise; it was a political project with the explicit aim of creating a

more effective and democratic system of local governance, capable of supporting Albania's broader strategic goal of European Union (EU) integration (Guga, 2018).

Despite the ambitious scope of the 2015 reform and the establishment of a modern legal framework for local governance, a significant gap persists between the formal structures of decentralization and the substantive outcomes for democratic deepening (see Democracy International, 2016). This paper addresses the critical question of why, despite these extensive reforms, the promise of decentralization in Albania remains only partially fulfilled. The central argument of this paper is that while Albania's decentralization, particularly the 2015 Territorial and Administrative Reform, has established a modern framework for local governance, its potential to deepen democracy is significantly hampered by systemic challenges, including limited fiscal autonomy, politicization of local administration, and pervasive corruption (see CoE, 2015). However, opportunities exist through the EU accession process and civil society engagement to overcome these obstacles.

This study employs a qualitative research methodology, drawing on a wide range of sources to provide a comprehensive analysis of the Albanian decentralization experience. It synthesizes academic literature on decentralization and democratic transition, with a specific focus in Albania. It draws heavily on the rich body of grey literature from international organizations that have been deeply involved in Albania's reform process, including the United Nations Development Programme (UNDP), the Council of Europe (CoE), and the World Bank Governance Indicators (2025). Furthermore, it incorporates data and analysis from international democracy-monitoring organizations such as Freedom House, which provide quantitative and qualitative assessments of Albania's democratic performance. A unique contribution of this paper is its integration of findings from the High State Audit (Kontrolli i Lartë i Shtetit – KLSH, 2024), Albania's supreme audit institution. The KLSH reports on municipal performance offer a granular, evidence-based perspective on the practical challenges of local governance, particularly in the areas of financial management and rule of law. By triangulating these diverse sources, this paper aims to provide a nuanced and evidence-based assessment of the challenges and opportunities for decentralization and democratic deepening in Albania.

The paper is structured as follows. Section 2 traces the trajectory of decentralization in Albania, from the early post-communist reforms to the landmark 2015 TAR and the accompanying national strategy. Section 3 delves into the role of the High State Audit (KLSH) in local government oversight, analyzing its audit findings to illuminate the practical governance challenges at the municipal level. Section 4 provides a detailed analysis of the primary challenges to democratic deepening through decentralization, focusing on fiscal autonomy, administrative capacity, political factors, and citizen participation. Section 5 explores the key opportunities for advancing local democracy, with a particular focus on the role of the EU accession process and the strengthening of local accountability mechanisms. Finally, the conclusion summarizes the key findings, restates the central argument, and offers a forward-looking perspective on the future of decentralization and democratic consolidation in Albania.

2. The Trajectory of Decentralization in Albania

The path of decentralization in Albania has been neither linear nor swift. It has evolved through distinct phases, each shaped by the prevailing political and economic context, and heavily influenced by the overarching goal of European integration (Zhlilima et al., 2021; Guga, 2018). Understanding this trajectory is essential for appreciating both the magnitude of the changes that have taken place and the deep-rooted nature of the challenges that persist.

2.1. Early Reforms (2000-2014): A Fragmented Foundation

The formal process of decentralization in Albania began in earnest with the approval of the Organic Law on Local Government (No. 8652) in 2000 (see COR, 2017). This law, developed with significant support from the Council of Europe, was a landmark piece of legislation that transferred a range of functions and responsibilities from the central government to newly established local government units (LGUs). These included responsibilities in areas such as water supply, sanitation, local infrastructure, public lighting, and green spaces. The law also introduced the principle of local fiscal autonomy, granting LGUs the right to levy local taxes and fees. This initial phase of

decentralization was driven by a combination of domestic political imperatives and external pressure from international partners who viewed decentralization as a cornerstone of democratic consolidation.

However, this early phase of decentralization was characterized by a high degree of fragmentation. The country was divided into 373 local government units, comprising 65 municipalities and 308 communes. Many of these units were small, with limited administrative and financial capacity. This fragmentation created significant challenges for effective governance and service delivery (Ndreu, 2015). Small LGUs struggled to generate sufficient ownsource revenues, leaving them heavily dependent on transfers from the central government. This financial dependency, in turn, undermined their autonomy and made them susceptible to political influence from the center. Furthermore, the proliferation of small administrative units led to inefficiencies in service provision and a lack of economies of scale. The result was a system of local governance that was, in many respects, decentralized in name only (Guga, 2018). While the legal framework for decentralization was in place, the practical realities of a fragmented and under-resourced local government system severely limited its potential to contribute to democratic deepening.

2.2. The 2015 Territorial and Administrative Reform (TAR): A Paradigm Shift

By the early 2010s, there was a growing consensus among Albanian policymakers and international observers that the existing system of local government was no longer fit for purpose. The high degree of fragmentation was widely seen as a major obstacle to efficient service delivery, sustainable local development, and effective governance (Guga, 2018). It was in this context that the Albanian government, with cross-party support, embarked on the most ambitious and transformative reform of local government since the end of communism: the 2015 Territorial and Administrative Reform (TAR).

The TAR, enacted through Law 115/2015 (see Law 115/2015), represented a paradigm shift in Albania's approach to decentralization. The reform's most dramatic and visible feature was the radical consolidation of the country's 373 LGUs into 61 new, much larger municipalities. The rationale behind this consolidation was to create municipalities with the necessary scale and capacity to perform their functions effectively. The reform's objectives were multifaceted: to improve the efficiency and quality of public services, to enhance local democracy and citizen participation, to promote balanced regional development, and to strengthen the overall capacity of local government to support Albania's EU integration process (Guga, 2018). The design and implementation of the TAR were heavily supported by international partners, including the UNDP, the Council of Europe, and the World Bank, who provided technical expertise and financial assistance.

The legal and institutional framework established by the TAR was comprehensive. It not only redrew the administrative map of the country but also sought to clarify the functions and responsibilities of the new municipalities, strengthen their financial autonomy, and improve intergovernmental relations. The reform was a bold and necessary step towards creating a more viable and effective system of local governance. However, as the subsequent sections of this paper will demonstrate, the implementation of the TAR has been fraught with challenges, and its impact on democratic deepening has been mixed.

2.3. The National Strategy for Decentralization and Local Governance (2015-2020)

To guide the implementation of the TAR and the broader decentralization agenda, the Albanian government, in February 2015, adopted the National Crosscutting Strategy for Decentralization and Local Governance (see the National Strategy 2015-2020). This strategy, developed in close cooperation with international partners, provided a comprehensive policy framework for the post-TAR period. It addressed the government's vision for a decentralized system of governance and outlined a series of strategic goals and policy measures to achieve this vision.

The strategy was organized around several key pillars, including:

- *Strengthening the administrative and institutional capacity of local government:* This involved providing training and technical assistance to the new municipalities to help them manage their expanded responsibilities.

- *Enhancing fiscal decentralization and local financial autonomy:* This included measures to increase the own-source revenues of municipalities and to reform the system of intergovernmental fiscal transfers.
- *Improving public service delivery:* The strategy aimed to ensure that the new municipalities had the capacity to deliver a wide range of high-quality public services to their citizens.
- *Promoting local democracy and citizen participation:* This involved measures to strengthen the role of municipal councils, to promote transparency and accountability in local government, and to encourage citizen engagement in local decision-making.

The 2015-2020 strategy was a crucial document that provided a roadmap for the implementation of the TAR. It reflected a clear understanding of the challenges and opportunities of decentralization and demonstrated the government's commitment to creating a more effective and democratic system of local governance. However, the successful implementation of this strategy has been contingent on a range of factors, including the availability of financial resources, the political will to push through difficult reforms, and the capacity of local governments to absorb and utilize the support provided. The following sections will explore the extent to which the goals of this strategy have been met and the challenges that have been encountered along the way.

3. The Role of the High State Audit (KLSH) in Local Government Oversight

An effective system of local governance requires robust mechanisms of external oversight and accountability. In Albania, the High State Audit (Kontrolli i Lartë i Shtetit - KLSH) plays a crucial, constitutionally mandated role in this regard. As the country's supreme audit institution, the KLSH is responsible for auditing the economic and financial activities of all state institutions, including the newly consolidated municipalities. The findings of the KLSH provide an invaluable, evidence-based window into the practical realities of local governance in the post-TAR era. They offer a granular and often sobering assessment of the challenges that municipalities face in managing public funds, adhering to legal and regulatory frameworks, and delivering services to their citizens. This section examines the role of the KLSH in local government oversight and analyzes the key findings of its audit reports to illuminate the systemic challenges to good governance at the local level.

3.1. Mandate and Function of the KLSH

KLSH is an independent, external audit institution that reports to the Albanian Parliament. Its mandate is enshrined in the Albanian Constitution and further detailed in its organic law. The KLSH conducts a range of audits, including financial audits, compliance audits, and performance audits. Financial audits assess the accuracy of financial statements, while compliance audits examine whether public entities have adhered to relevant laws and regulations. Performance audits, on the other hand, evaluate the economy, efficiency, and effectiveness of public spending. In the context of local government, the KLSH's audits are designed to ensure that municipalities are using public resources in a transparent, accountable, and effective manner.

The KLSH's audit reports are public documents, and their findings are often widely reported in the Albanian media. These reports typically include a series of recommendations for corrective action, which the audited entities are legally obliged to implement. The KLSH monitors the implementation of its recommendations and reports on the progress made. Through its audit work, the KLSH aims to not only identify and address specific instances of mismanagement or non-compliance but also to promote systemic improvements in public financial management and governance.

3.2. Analysis of KLSH Audit Reports on Municipalities

A systematic review of the KLSH's audit reports on municipalities in the post-TAR period reveals a series of recurring and systemic challenges (see KLSH, 2024). While the specific findings vary from one municipality to another, a number of common themes emerge with striking regularity. These include:

1. *Irregularities in Public Procurement:* The KLSH frequently identifies significant weaknesses in public procurement processes at the municipal level. These include the use of non-competitive procurement procedures, the division of contracts to avoid open tendering, and conflicts of interest in the awarding of

contracts. These irregularities not only lead to the inefficient use of public funds but also create significant opportunities for corruption.

2. *Mismanagement of Public Funds and Assets*: The audit reports often highlight instances of mismanagement of public funds, including extra-budgetary spending, a lack of documentation for expenditures, and the failure to collect public revenues. The KLSH has also identified significant problems in the management of public assets, including the illegal occupation of public property and the failure to register and properly value municipal assets(see KLSH,2024).
 - *Weaknesses in Internal Control Systems*: A recurring finding in the KLSH's reports is the weakness of internal control systems within municipalities. This includes a lack of segregation of duties, inadequate internal audit functions, and a failure to implement effective risk management procedures. These weaknesses create a permissive environment for mismanagement and corruption to thrive.
 - *Poor Revenue Collection*: Many municipalities struggle to collect local taxes and fees, which undermines their financial autonomy and their ability to fund public services. The KLSH has identified a range of problems in this area, including a failure to maintain accurate taxpayer registries, a lack of enforcement action against delinquent taxpayers, and the illegal reduction or forgiveness of tax liabilities.

To illustrate these systemic problems, a case study of the KLSH's audit report on the Municipality of Elbasan is instructive(see KLSH,2024). The report, published in 2024, identified a range of serious problems, including significant irregularities in public procurement, the mismanagement of public assets, and major weaknesses in the municipality's internal control system. The report found that the municipality had failed to collect a significant portion of its potential revenues, which had a direct impact on its ability to provide services to its citizens. The findings of the Elbasan audit are not unique; they are echoed in the KLSH's reports on several other municipalities, including Fier and Tirana, painting a picture of a local government system that is struggling to meet basic standards of good governance and financial management.

3.3. KLSH Findings as Indicators of Governance Challenges

The findings of the KLSH are more than just a collection of isolated technical problems. They are powerful indicators of the deep-seated governance challenges that continue to plague Albania's local government system. The recurring nature of the issues identified by the KLSH suggests that they are not simply the result of individual errors or omissions but are rather symptomatic of systemic weaknesses in the legal, institutional, and political framework for local governance. The high level of irregularities in public procurement, for example, is a clear indicator of the pervasive problem of corruption, which, as the Freedom House and World Bank indicators suggest, remains a major challenge in Albania. The weaknesses in internal control systems point to a lack of administrative capacity and a culture of impunity in many municipalities. The poor revenue collection is a direct reflection of the limited fiscal autonomy of local governments and their continued dependence on the central government.

In conclusion, the audit reports of the High State Audit provide a critical and evidencebased perspective on the state of local governance in Albania. They show that while the 2015 Territorial and Administrative Reform may have created a more rational and efficient administrative structure, it has not, on its own, been sufficient to address the deepseated challenges of mismanagement, corruption, and weak accountability that continue to undermine the potential of decentralization to contribute to democratic deepening. The findings of the KLSH underscore the urgent need for a more comprehensive approach to local government reform, one that goes beyond administrative restructuring to address the underlying political and institutional drivers of poor governance.

4. Challenges to Democratic Deepening through Decentralization

While the 2015 Territorial and Administrative Reform (TAR) created a more rational and structurally sound framework for local governance in Albania, the development of decentralization's full potential for democratic deepening has been significantly impeded by a host of persistent and interconnected challenges. These challenges, which are deeply rooted in Albania's political and institutional landscape, can be categorized into four main areas: fiscal decentralization and financial autonomy, administrative and institutional capacity, political factors and governance, and citizen participation and local accountability. This section provides a detailed analysis of each of

these challenges, drawing on the findings of the High State Audit (KLSH), international assessments, and academic research.

4.1. Fiscal Decentralization and Financial Autonomy

A cornerstone of meaningful decentralization is fiscal autonomy, the ability of local governments to raise, manage, and allocate their own financial resources in accordance with local priorities. Despite being a central objective of the decentralization reforms, the reality of fiscal decentralization in Albania falls far short of the ideal. Municipalities remain heavily reliant on financial transfers from the central government, which significantly curtails their autonomy and perpetuates a relationship of dependency. This financial subservience is a major obstacle to democratic deepening, as it limits the ability of local governments to be responsive to the needs and preferences of their citizens.

The challenges in this area are twofold. First, municipalities have limited own-source revenues. The main sources of local revenue are a small-business tax, a property tax, and various local fees and charges. However, the revenue-generating potential of these sources is often limited by a narrow tax base, difficulties in tax administration and collection, and a legal framework that gives the central government significant control over key parameters of local taxation, such as tax rates and exemptions. The KLSH's audit reports consistently highlight the poor performance of municipalities in collecting local taxes and fees, citing problems such as inaccurate taxpayer registries and a lack of enforcement against delinquent taxpayers. This not only reduces the financial resources available to municipalities but also undermines the principle of local accountability, as citizens are less likely to hold their local governments to account when they are not the primary source of their funding.

Second, the system of intergovernmental fiscal transfers, which is intended to supplement local revenues and equalize fiscal capacity across municipalities, is often characterized by a lack of transparency, predictability, and adequacy. Municipalities have little control over the amount of funding they receive from the central government, making it difficult for them to engage in long-term financial planning. Furthermore, a significant portion of the transfers are conditional, meaning they are earmarked for specific purposes determined by the central government. This further limits the discretion of local governments to allocate resources according to local priorities. The result is a system in which local governments are more accountable to the central government, which controls the purse strings, than to their own citizens.

4.2. Administrative and Institutional Capacity

The consolidation of 373 local government units into 61 larger municipalities was intended to create economies of scale and enhance the administrative and institutional capacity of local government. However, the reality has been more complex. While the new municipalities are, in theory, better equipped to provide a wider range of public services, they have often struggled to manage their expanded territories and responsibilities. This is due to a number of factors, including a lack of qualified personnel, inadequate infrastructure, and a persistent culture of centralized decision-making.

Many municipalities, particularly in rural areas, lack the human resources and technical expertise to effectively manage complex functions such as urban planning, environmental protection, and local economic development. The problem is often exacerbated by the politicization of the civil service, which can lead to the appointment of staff based on political loyalty rather than professional merit. The KLSH's audit reports frequently point to weaknesses in the administrative capacity of municipalities, including a lack of strategic planning, poor project management, and inadequate internal control systems. These capacity constraints not only lead to inefficiencies in service delivery but also undermine the ability of local governments to engage in evidence-based policymaking and long-term development planning.

Furthermore, the legacy of a highly centralized state continues to cast a long shadow over the Albanian public administration. Despite the formal transfer of functions and responsibilities to the local level, there is often a reluctance on the part of central government ministries to relinquish control. This can lead to a duplication of effort,

a lack of coordination, and a blurring of lines of accountability between different levels of government. The result is a system in which local governments are often left with the responsibility for delivering services but without the full authority or resources to do so effectively.

4.3 Citizen Participation and Local Accountability

The ultimate test of decentralization's contribution to democratic deepening is the extent to which it enhances citizen participation and local accountability. On this front, the record in Albania is mixed. While the legal framework for local governance includes provisions for citizen participation, such as public hearings and consultations, the reality is often one of low levels of citizen engagement. There are a number of reasons for this, including a lack of awareness among citizens of their rights and opportunities to participate, a lack of trust in local government, and a perception that their participation will not make a difference.

The weakness of local accountability mechanisms is another major challenge. While municipal councils are intended to be the primary mechanism for holding mayors and their administrations to account, they are often hampered by a lack of resources, expertise, and political independence. The extension of national-level political polarization to the local level can also undermine the oversight function of municipal councils, with councilors often voting along party lines rather than in the public interest. The result is a system in which local executives often operate with a high degree of discretion and limited accountability to either the municipal council or the public. This accountability deficit is a major obstacle to the consolidation of a genuinely democratic system of local governance in Albania.

5. Opportunities for Democratic Deepening

Despite the challenges outlined in the previous section, the landscape of decentralization and local governance in Albania is not without significant opportunities for positive change and democratic deepening. These opportunities stem from a combination of external incentives, domestic reform efforts, and the untapped potential of local actors. If strategically leveraged, these opportunities could help to overcome some of the most persistent obstacles to effective and democratic local governance. This section explores the key opportunities for advancing local democracy in Albania, with a particular focus on the role of the EU accession process, the strengthening of local accountability mechanisms, the improvement of public service delivery, and the use of technology.

5.1. The EU Accession Process as a Catalyst for Reform

Albania's strategic goal of joining the European Union is arguably the most powerful external driver of domestic reform. The EU accession process provides a clear roadmap for reform and a powerful set of incentives for the Albanian government to address the deepseated challenges of corruption, weak rule of law, and poor governance. The EU's enlargement methodology places a strong emphasis on the "fundamentals" of the accession process, particularly the rule of law and public administration reform (Chapter 1 of the *Acquis Communautaire*). This focus on the fundamentals has direct implications for local governance, as the principles of good governance, transparency, and accountability are just as relevant at the local level as they are at the national level.

The EU provides significant financial and technical assistance to support Albania's reform efforts, including in the area of local governance (see EP, 2022). These resources can be used to strengthen the administrative and institutional capacity of municipalities, to improve public financial management, and to promote citizen participation. Furthermore, the EU's regular monitoring and reporting on Albania's progress in the accession process provides a powerful mechanism for holding the government to account and for maintaining the momentum for reform. The prospect of EU membership provides a powerful political incentive for Albanian leaders to tackle the difficult and often politically sensitive reforms that are needed to create a more effective and democratic system of local governance. The EU's insistence on a track record of implementation and tangible results means that the Albanian government cannot afford to treat decentralization as a purely formalistic exercise. It must demonstrate a genuine commitment to empowering local governments and to creating a system of governance that is transparent, accountable, and responsive to the needs of its citizens.

5.2. Strengthening Local Accountability Mechanisms

While local accountability mechanisms in Albania are currently weak, there are a number of opportunities to strengthen them. One of the most important is to empower municipal councils. This can be done by providing councilors with the training, resources, and information they need to effectively perform their oversight function. It also requires a change in the political culture, with a greater emphasis on constructive debate and a willingness to hold local executives to account, regardless of party affiliation. The recommendations of the High State Audit (KLSH) provide a valuable tool for municipal councils to use in their oversight work. By systematically following up on the KLSH's findings and recommendations, municipal councils can play a much more active role in ensuring that public funds are used effectively and that local administrations are held to account for their performance.

Another important opportunity for strengthening local accountability is to enhance the role of civil society organizations (CSOs). Albania has a vibrant and growing civil society sector, with many organizations working on issues of good governance, transparency, and citizen participation. These organizations can play a crucial role in monitoring the performance of local governments, advocating for the rights and interests of citizens, and providing a platform for citizen engagement. By partnering with CSOs, municipalities can tap into a valuable source of expertise, innovation, and community mobilization. This can help to build trust between local governments and citizens and to create a more inclusive and participatory system of local governance.

5.3. Improving Public Service Delivery and Local Economic Development

Ultimately, the legitimacy of local government in the eyes of citizens depends on its ability to deliver high-quality public services and to promote local economic development. The 2015 Territorial and Administrative Reform (Guga,2018), by creating larger and more viable municipalities, has created the potential for significant improvements in this area. Larger municipalities have the economies of scale and the administrative capacity to provide a wider range of services more efficiently. They are also better placed to engage in strategic planning and to attract investment.

There are a number of opportunities for municipalities to improve public service delivery. These include the use of new technologies to streamline administrative processes and to improve access to services, the adoption of performance management systems to monitor and evaluate the quality of services, and the development of partnerships with the private sector and CSOs to deliver services more effectively. By focusing on improving the quality of life for their citizens, municipalities can build trust and legitimacy, which in turn can lead to greater citizen engagement and a stronger sense of local ownership.

Furthermore, municipalities have a crucial role to play in promoting local economic development. By creating a business-friendly environment, supporting local entrepreneurs, and investing in strategic infrastructure projects, municipalities can help to create jobs and to improve the economic well-being of their communities. This can help to address one of the root causes of citizen apathy and disengagement, the perception that local government is irrelevant to their daily lives.

5.4. Leveraging Technology for Transparency and Participation

The digital revolution offers a range of new opportunities to enhance transparency, accountability, and citizen participation in local government (Sinomeri,2025). E-governance initiatives can make it easier for citizens to access information about the activities of their local government, to pay taxes and fees, and to provide feedback on the quality of public services. The use of social media and other digital platforms can also provide new avenues for citizen engagement and for dialogue between local officials and their constituents(Sinomeri,2025).

While Albania has made some progress in the area of e-governance, there is still much more that can be done (Aliaj &Allkaj,2024). Municipalities need to invest in the necessary infrastructure and human resources to develop and implement effective e-governance strategies. They also need to ensure that these initiatives are inclusive and that they do not create a new digital divide. If properly designed and implemented, e-governance can be a powerful tool

for making local government more transparent, accountable, and participatory, thereby contributing to the deepening of democracy at the local level (Aliaj & Allkaj, 2024).

6. Conclusion

This paper has examined the complex and often contradictory journey of decentralization and democratic deepening in post-communist Albania. The analysis has shown that while significant progress has been made in establishing a modern legal and institutional framework for local governance, particularly through the landmark 2015 Territorial and Administrative Reform, the substantive impact on democratic deepening remains a work in progress. The promise of decentralization, a system of governance that is more responsive, accountable, and participatory, has been constrained by a series of deep-seated and interconnected challenges.

The central argument of this paper has been that while Albania's decentralization reforms have created the formal structures for a more democratic system of local governance, their effectiveness has been significantly hampered by the persistence of systemic weaknesses. These include the limited fiscal autonomy of municipalities, which perpetuates a relationship of dependency on the central government; the ongoing challenges of administrative and institutional capacity at the local level; the corrosive effects of political polarization, clientelism, and corruption; and the low levels of citizen participation and local accountability. The findings of the High State Audit (KLSH) provide compelling, evidence-based support for this argument, painting a sobering picture of the practical challenges of local governance in Albania.

However, the analysis has also highlighted that the situation is far from hopeless. A number of significant opportunities exist to advance the cause of democratic deepening in Albania. The EU accession process, with its strong emphasis on the fundamentals of good governance and the rule of law, provides a powerful external anchor for reform. The strengthening of local accountability mechanisms, including the empowerment of municipal councils and the enhancement of the role of civil society, offers a pathway to greater transparency and responsiveness. The potential for municipalities to become engines of local economic development and to improve the quality of public services provides a powerful incentive for reform. The transformative potential of technology offers new tools for enhancing transparency and citizen participation.

The future of decentralization and democratic deepening in Albania will depend on the ability of the country's political leaders and its citizens to seize these opportunities and to confront the challenges head-on. This will require a sustained and comprehensive approach to reform, one that goes beyond administrative restructuring to address the underlying political and institutional drivers of poor governance. It will require a genuine commitment to empowering local communities and to creating a political culture that values transparency, accountability, and public service. The path ahead is undoubtedly long and arduous, but it is a path that Albania must travel if it is to realize its full potential as a modern, democratic, and European nation. The journey of decentralization in Albania is, in many ways, a microcosm of the country's broader struggle for democratic consolidation. Its ultimate success will be a key determinant of the future of Albanian democracy.

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