

Local Government Services Accountability and Local Economic Growth

*LGPA 2009 Municipality Surveys
Summary Report*



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Alternativa
Zhvillimi

Local Government Services, Accountability and Local Economic Growth

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Introduction

USAID LGPA Project

USAID's Local Governance Program in Albania (LGPA) works with ten municipalities throughout Albania to foster local economic growth, improve local governance, and strengthen civic and private sector engagement in local development. LGPA's partner municipalities are Fier, Fushë Krujë, Gramsh, Himarë, Korçë, Kukës, Lezhë, Librazhd, Pogradec, and Shkodër.

LGPA aims at encouraging and facilitating local economic growth in target municipalities through increases in investment, employment, and income, ultimately expanding the local tax base. LGPA provides technical assistance and on-the-job training to staff in these municipalities. Strengthening the involvement of local civil society groups, special interest groups, and business in the local government process is another focus of LGPA.

Local Economic Growth

A bi-partisan and broadly representative Local Economic Growth Committee (LEGC) is established in each target municipality, in order to enhance the collaboration among representatives of the public, private and civil society sectors. The LEGC developed a strategic vision of the future economic development of the municipality and prioritizes immediate actions within the context of a short-term local economic development plan. The Committee identifies immediate public service improvement opportunities that help attract investment. LGPA works with the Local Economic Growth Committees to promote the municipality and to identify and attract potential investors.

Local Governance

LGPA provides technical assistance and on-the-job training to staff in the ten target municipalities on a variety of issues including tax collection, asset management, budgeting, borrowing, and service provision. This component both capitalizes on and enhances efforts undertaken in the Local Economic Growth component. Through better asset management practices, the municipality identifies assets that can be leased or disposed of to private investors for improvement. Improved tax collection allows the municipality to capture increased taxes from greater economic growth. Increased revenues from better asset management and tax collection allow target municipalities to improve the quality and efficiency of services provided to residents and businesses.

Civic and Private Sector Engagement

Strengthening the involvement of local civil society groups, special interest groups, and business in the local government process, in the target municipalities, is accomplished by including the civic and private sectors in Local Economic Growth Committees; establishing participatory budgeting mechanisms; and creating local government outreach tools, such as newsletters and websites. Transparency of the process is increased through open council meetings, open processes for purchasing, leasing and disposing of municipal assets, and an open budget process.

Residents Surveys

LGPA project conducts an annual survey in all the ten beneficiary municipalities of the LGPA project, called hereafter *target municipalities* and ten other municipalities, non beneficiaries of the LGPA grant, called hereafter *control municipalities*.

The survey commissioned by USAID/LGPA project in Albania and conducted by the Institute for Development Research and Alternatives (IDRA) serves for:

- (i) Measuring residents satisfaction with services provided by the municipality and overall performance of local government administration.
- (ii) Tracking progress done by municipalities during the years.
- (iii) Comparative purposes between **recipient** vs. **non-recipient** municipalities.

The interviews were held during the period of April-May 2009. This is the second wave conducted by IDRA. The first wave was conducted during the month of April 2008.

LGPA Municipality Survey 2009 consisted of a total random representative sample of 4800 Albanian residents.

In 2009 as in 2008, the LGPA Municipality Survey had two components:

- The *Target Municipalities' Survey*, which covered 10 municipalities selected by LGPA as recipients of technical assistance in the areas of Local Economic Growth, Local Governance, and Civic and Private Sector Engagement namely: Kukës, Shkodër, Lezhë, Fushë Krujë, Gramsh, Librazhd, Korçë, Pogradec, Fier, and Himarë.

- The *Control Municipalities' Survey* involved ten randomly selected municipalities that are not part of the LGPA program. For comparison purposes the municipalities composing the control municipalities are similar to those of the 2008 survey.

This report, which covers the periods of time of 2008 and 2009, presents the key findings to the surveys. The results are presented for the control municipalities sample and for each target municipality. In this way, three different comparisons are possible:

1. Target municipalities' results 2009 versus control municipalities' results 2009
2. Target municipalities' results 2009 vs. target municipalities' results 2008
3. Target municipalities' progress vs. control municipalities' progress

Key Findings

Primary Concerns

Based on residents' responses, target and control municipalities seem to face the same problems, even when compared to 2008. *Employment/Lack of employment opportunities* is the number one concern in control municipalities and all target municipalities with the exception of Himarë.

The second mentioned issue as the most pressing concern by most of respondents is *Economic Problems. Weak infrastructure* still remains among the most problematic issues in most of target municipalities.

Environment and Poverty/Social Service are other concerns that target municipalities face according to respondents.

Satisfaction with Public Services

On average, target municipalities report higher satisfaction rates when compared to control municipalities concerning public services.

Residents of target municipalities appear to be more satisfied with drinking water supply, street lighting and maintenance of pre-university buildings, while lower satisfaction rates are reported for maintenance of roads within the municipality, sewage and cleaning service.

Compared to the 2008 survey, there is an improving trend on the average of residents' satisfaction rate for maintenance of pre-university buildings, sewage service and cleaning service while the opposite appear with maintenance of roads within municipality's boundaries, drinking water and street lighting.

Overall, according to the 2009 survey, residents of Gramsh and Kukës seem to be more satisfied with public services than those of other target municipalities or control municipalities. The opposite stands for the residents of Himarë¹, who appear to be less satisfied of public services than the residents of both target municipalities and control municipalities.

Public Services Residents Satisfaction Index (PSRSI) – a composed index by the satisfaction evaluation of the interviewed residents on six services provided by their municipality – is above the mid-point of the 0-100 scale, where 0 means 'Very unsatisfied' and 100 means 'Very satisfied', in all target municipalities, but Himarë and Lezhë. The average PSRSI for all target municipalities is 55.7 points, compared to 46.5 points for control municipalities. That means on average residents of target municipalities are more satisfied than unsatisfied with the services provided by their municipality while the opposite is true for their counterparts in control municipalities.

Accountability and Responsiveness

In general, local government administration operations are evaluated as good in most of target municipalities. Anyway, differences are noted for each operation from municipality to municipality.

The majority of residents in all target municipalities are satisfied with behavior of municipal employees and office hours convenience. Timely service and performance when responding to residents' needs are generally evaluated as

1. Please note that Himarë municipality holds under its jurisdiction not only the city of Himarë but also rural areas, stretching from Palasë to Qeparo. The linear geographical stretch of Himarë municipality is approximately 22.5 km

good by the majority of residents in target municipalities. Instead, wider differences in residents' satisfaction rates between target municipalities themselves are noted when the ability to solve problems, the clarity of rules and procedures, the easiness to contact the right person and the establishment of trust among the parts, are considered.

On average, the evaluation of local government administration operations scores higher in target municipalities when compared to control municipalities. Also, in all target municipalities in 2009, the average of respondents' satisfaction rate concerning local government administration operations is higher when compared to 2008.

Administration Services Residents Satisfaction Index (ASRSI) – a composed index by the satisfaction evaluation of respondents on eight aspects of the services provided by local administration – is on average for all target municipalities 55.6 point on a 0-100 scale where 0 means 'Very unsatisfied' and 100 means 'Very satisfied'. Said in other words, on average residents in target municipalities are more satisfied than unsatisfied with the services provided by their local administration. The average ASRSI for target municipalities is 3.8 points higher than that of control municipalities.

Local Economic Growth Issues

Most of the residents questioned in target municipalities answered that the economy of their municipality is declining or that it is stagnant. When asked to evaluate their standard of living compared to 12 months ago, most of respondents in target municipalities state that it has either stayed the same or has worsened. Among target municipalities, Kukës reports the highest rate of respondents who mention that their standard of living is improved.

Except Korçë, the majority of residents in target municipalities thinks that local government is little or not involved at all in encouraging and managing economic growth in their municipalities. On the other hand, when asked for the future role of local government in fostering and managing economic growth, residents of target municipalities seem to be more optimistic and see more involvement for local government.

Construction and tourism are seen as the most promising sectors in boosting economic growth in most of the target municipalities. Anyhow, the evaluation of economic sectors as 'promising' depends upon the specific features of each municipality and differences may be noted when comparing municipality from municipality.

Local Government Borrowing

The majority of respondents in target municipalities, except Pogradec, are in favor of Local Government borrowing. However, when asked if they were still in favor of borrowing even if Local Government Borrowing results in higher taxes for residents and businesses, in most target municipalities more than half of them changed their opinion. The residents of Himarë and Kukës did show a greater rate of acceptability to such possibility when compared to other target municipalities and control municipalities.

Presentation of Results and Other Notes

The survey findings are presented in three formats²:

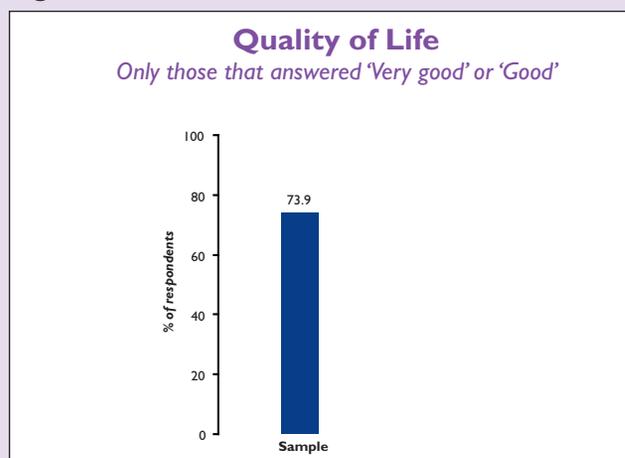
- (i) 'Percentage format' in which the percent of the respondents falling under a category or group of specified categories is represented by the height of the column associated to those respondents.
- (ii) 'Index format' in which percentages and scales are converted in a 0-100 scale (index) for better presentation and understanding.
- (iii) Tables where findings for each municipality are presented in a separate row.

The following is an example of the presentation of the 'percentage format' of a question taken from the questionnaire

Quality of Life in General			
I	How would you describe the quality of life <u>in general</u> in your municipality?	Very good.....	1
		Good.....	2
		Bad.....	3
		Very Bad.....	4
		Don't know.....	9
		No response.....	99
			Card A

The results for the above question are presented in graphic (see Fig. I). The number on top of each column represents the percentage of only those respondents, who for the respective municipality answered to the 'Quality of Life' question either 'Very good' or 'Good'. On the top of blue column above Sample category it is written 73.9. This means that in the 2009 survey, 73.9% of the interviewed residents of municipality 'Sample' evaluated their quality of life either 'Very good' or 'Good'.

Fig. I



2. All the formats are accompanied by explanatory narrative.

This year, two new indexes namely Public Services Residents Satisfaction Index (PSRSI) and Administration Services Residents Satisfaction Index (ASRSI) are introduced to the report. Their purpose is to present in a clearer and better way the level of satisfaction of each respondent on the overall local government performance in providing services. The indexes are presented in the 'index format'.

The 'index format' is a 0-100 scale where 0 means 'Very unsatisfied' and 100 means 'Very satisfied'. The number on top of the column represents the average evaluation of the respondents' satisfaction toward services provided by municipality or its administration. On the blue column above Sample category it is written 65.2 (See Fig. 2). This means that on average residents of municipality 'Sample' evaluate their satisfaction towards services provided by their municipality with 65.2 points on a 0-100 scale where 0 means 'Very unsatisfied' and 100 means 'Very satisfied'. Another interpretation would be that residents of municipality 'Sample' on average are more satisfied than unsatisfied toward the services provided by their municipality.

Fig. 2



Caveat

Because the survey conducted on a random sample and not on the whole population of municipalities the percentages reported and their comparisons are accurate within a margin of error and confidence interval³. When reporting such comparisons carefulness should be shown between the terms 'significant' and 'statistically significant'. While the former is subjective to one's opinion the latter is calculated using statistical formulas where various variables such as proportions under considerations, sample size and interval of confidence are taken into consideration. Said in other words, in a sample of 400 respondents, while a difference in proportions of 4.5 percentage points may seem 'significant' it may not be 'statistically significant'.

Statistical tests are conducted for every comparison between proportions and reported only when 'statistically significant'. Throughout this report the terms 'significant' and 'statistically significant' are used interchangeably⁴⁵.

As well, throughout this report, whenever verbs that show a trend such as increase, decrease, improvement and worsening or comparative adjectives such as better or worse are used, keep in mind that the respective statistic test are conducted and the change is statistically significant, unless otherwise reported.

3. More on margin of error and comparison between proportions is given in the Sampling Methodology section at the end of this report

4. A non statistically significant difference of proportions under a certain interval of confidence means that there is not enough data for us to say that the proportions differ with some level of certainty.

5. Sample size is a key factor to 'statistical significance'. A bigger sample size increases accuracy, making it possible for a comparison of proportions being 'statistically significant' while not 'significant'

Quality of Life

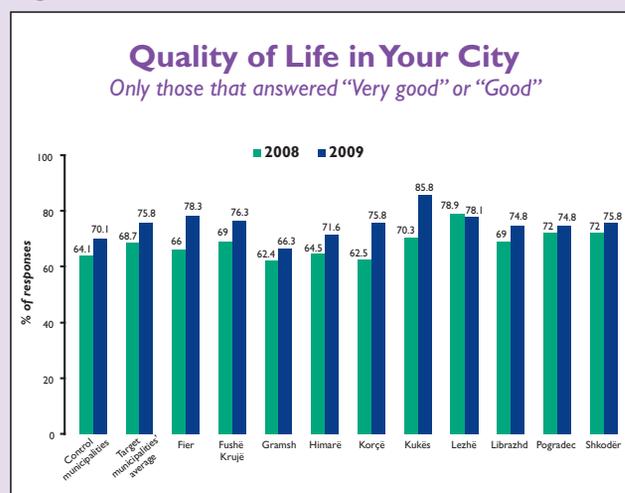
Residents were asked to evaluate the quality of life in their municipality in a scale from 1 to 4 when 1 means 'Very good' and 4 means 'Very bad'. The question measures the quality of life in their municipality in general. The survey included also more specific questions that tackled the evaluation of factors influencing the quality of life. Such questions, whose findings are presented later in this report, inquired about standard of living⁶, economic situation in the municipality, problems municipality is facing, services provided by the municipality such as the variety of cultural and recreational events the municipality offers, health care, infrastructure etc and other important factors.

The majority of residents in all target municipalities evaluate the quality of life in their municipality as good (Fig. 3). The highest rate of satisfaction is found in Kukës (85.8%), while the lowest in Gramsh (66.3%).

Compared to the 2008 survey, there is noted an increase in the percentage of residents who think that quality of life is 'very good' or 'good' in Fier, Fushë Krujë, Himarë, Korçë and Kukës.

In comparison to control municipalities, Kukës, Lezhë, Fushë Krujë, Korçë, Shkodër and Fier report a higher rate of residents who evaluate the quality of life in their municipality as 'Very good' or 'Good'. For the other target municipalities, no differences are noted.

Fig. 3

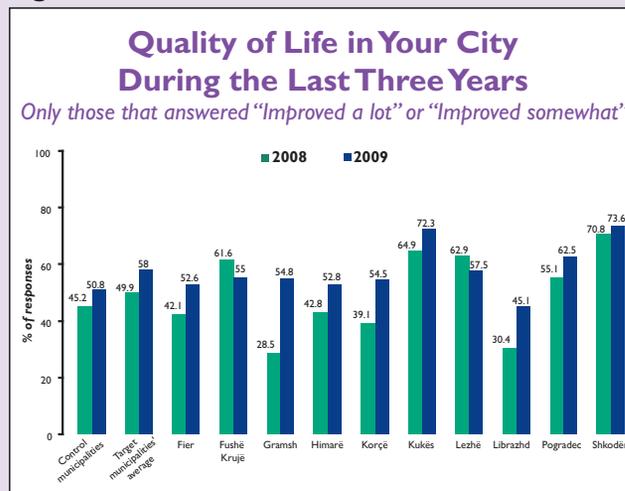


6. The idea of 'Standard of living' may be contrasted with 'Quality of life', where the latter, being broader, includes not only the material standard of living, but also other more intangible aspects making up human life, such as cultural resources, leisure, physical life, safety, social life, environmental quality and other aspects

Except Librazhd (45.1%), in all target municipalities, more than half of the residents state that the quality of life in their municipality is either 'Improved a lot' or 'Somewhat improved' (Fig. 4). When compared to control municipalities (50.8%), a higher rate of respondents whose quality of life has improved appears in Shkodër (73.6%), Kukës (72.3%), Pogradec (62.5%) and Lezhë (57.5%).

In comparison to 2008, most of target municipalities report an increase in the percentage of respondents who declare that there has been an improvement in quality of life during the last three years.

Fig. 4



Problems Municipalities Face

Respondents were asked to mention in a ranking order the three most important problems that their municipality is facing. Table 1 presents the ranking of five problems mentioned as the most important concern in their municipality by the respective respondents. Table 2 displays a comparison between the 2008 and 2009 surveys of the three issues evaluated as the most pressing.

Employment/Lack of employment is the number one concern in all target municipalities, except Himarë. In Gramsh and Librazhd as many as 72.3% and 63.5% of respondents respectively, mentioned it as the first problem in their municipality (Tab. 1). Instead, in Himarë employment is the major concern for only 10% of its interviewed residents.

Economic problems, which are closely related with the issue of unemployment, is the second most mentioned issue by the respondents as a primary concern in their municipality in most target municipalities. In Gramsh, Himarë, Librazhd, Fushë Krujë and Kukës fewer respondents, compared to the control municipalities sample, evaluated *Economic problems* as the primary concern in their municipality. The opposite is true for Shkodër where as many as 36.8% mentioned this issue as the top priority while only 21.8% did so in control municipalities.

Weak infrastructure is also mentioned as the first concern by residents in most of target municipalities. In Himarë it ranked first among the most pressing issue mentioned, where as many as 37.5% of the respondents evaluated it as their primary concern. In Lezhë and Fushë Krujë it ranked second among the problems mentioned where respectively 24.8% and 16% of the respondents pointed it out as the first issue their municipality is facing.

Other concerns that residents of most target municipalities have mentioned are *Poverty/Social services* and *Environmental problems*.

Based on residents' perceptions, most target municipalities face the same problems as in 2008 (Tab. 2). The first ranked problem in 2008 continues to be perceived as the main concern by the residents in both target and control municipalities even in 2009.

Table 1. Most Important Problem Your Municipality is Facing (1st mentioned)

First mentioned/most important problem facing the municipalities		Ranking 1	Ranking 2	Ranking 3	Ranking 4	Ranking 5
Control Municipalities	Problems	Unemployment	Economic problems	Weak infrastructure	Environmental problems	Poverty/Social services
	% of responses	38.5	21.8	18.6	5.8	3.8
Fier	Problems	Unemployment	Economic problems	Weak infrastructure	Environmental problems	Healthcare
	% of responses	40.3	24.5	11.8	10.3	2.3
Fushë Krujë	Problems	Unemployment	Weak infrastructure	Economic problems	Environmental problems	Electricity
	% of responses	29.8	16.0	15.0	12.8	7.8
Gramsh	Problems	Unemployment	Economic problems	Weak infrastructure	Poverty/Social services	Environmental problems
	% of responses	72.3	13.0	5.0	3.3	1.3
Himarë	Problems	Weak infrastructure	Unemployment	Healthcare	Electricity	Economic problems
	% of responses	37.5	10.0	9.3	9.0	7.8
Korçë	Problems	Unemployment	Economic problems	Weak infrastructure	Poverty/Social services	Environmental problems
	% of responses	46.8	23.3	9.8	6.3	3.5
Kukës	Problems	Unemployment	Economic problems	Weak infrastructure	Healthcare	Environmental problems
	% of responses	39.0	11.8	11.8	7.0	6.0
Lezhë	Problems	Unemployment	Weak infrastructure	Economic problems	Environmental problems	Poverty/social services
	% of responses	45.5	24.8	15.3	4.8	3.0
Librazhd	Problems	Unemployment	Economic problems	Weak infrastructure	Environmental problems	Poverty/Social services
	% of responses	63.5	13.5	8.8	6.8	2.5
Pogradec	Problems	Unemployment	Economic problems	Weak infrastructure	Poverty/Social services	Environmental problems
	% of responses	54.5	22.8	6.8	4.3	4.3
Shkodër	Problems	Unemployment	Economic problems	Poverty/Social services	Weak infrastructure	Environmental problems
	% of responses	40.8	36.8	4.5	4.3	3.3

Table 2. Most Important Problem Your Municipality is Facing (1st mentioned compared to 2008)

First mentioned/most important problem facing the municipalities		Ranking 1		Ranking 2		Ranking 3	
		2008	2009	2008	2009	2008	2009
Control Municipalities	Problem	Unemployment	Unemployment	Weak infrastructure	Economic problems	Economic problems	Weak infrastructure
	% of respondents	31.8	38.5	23.3	21.8	17.9	18.6
Fier	Problem	Unemployment	Unemployment	Weak infrastructure	Economic problems	Economic problems	Weak infrastructure
	% of respondents	26.5	40.3	17.8	24.5	15.8	11.8
Fushë Krujë	Problem	Unemployment	Unemployment	Weak infrastructure	Weak infrastructure	Economic problems	Economic problems
	% of respondents	44	29.8	11.5	16	11.2	15
Gramsh	Problem	Unemployment	Unemployment	Economic problems	Economic problems	Poverty/ Social services	Weak infrastructure
	% of respondents	81.5	72.3	5.3	13	5.1	5
Himarë	Problem	Weak infrastructure	Weak infrastructure	Unemployment	Unemployment	Economic problems	Healthcare
	% of respondents	45	37.5	15.2	10	9	9.3
Korçë	Problem	Unemployment	Unemployment	Economic problems	Economic problems	Weak infrastructure	Weak infrastructure
	% of respondents	44.8	46.8	17.8	23.3	13.5	9.8
Kukës	Problem	Unemployment	Unemployment	Economic problems	Economic problems	Education	Weak infrastructure
	% of respondents	46.5	39	24	11.8	6.1	11.8
Lezhë	Problem	Unemployment	Unemployment	Weak infrastructure	Weak infrastructure	Economic problems	Economic problems
	% of respondents	35.8	45.5	28.3	24.8	13.8	15.3
Librazhd	Problem	Unemployment	Unemployment	Economic problems	Economic problems	Weak infrastructure	Weak infrastructure
	% of respondents	62.5	63.5	13.6	13.5	9.3	8.8
Pogradec	Problem	Unemployment	Unemployment	Economic problems	Economic problems	Weak infrastructure	Weak infrastructure
	% of respondents	45.8	54.5	20.3	22.8	8.5	6.8
Shkodër	Problem	Unemployment	Unemployment	Economic problems	Economic problems	Weak infrastructure	Poverty/ Social services
	% of respondents	43.1	40.8	21.1	36.8	7	4.5

Satisfaction with Services

Regarding the satisfaction of residents with services provided by the local government, the results show different levels of satisfaction among the municipalities. Residents in most target municipalities are in general more satisfied with the services provided when compared to control municipalities.

Maintenance of Roads within Municipality Boundaries

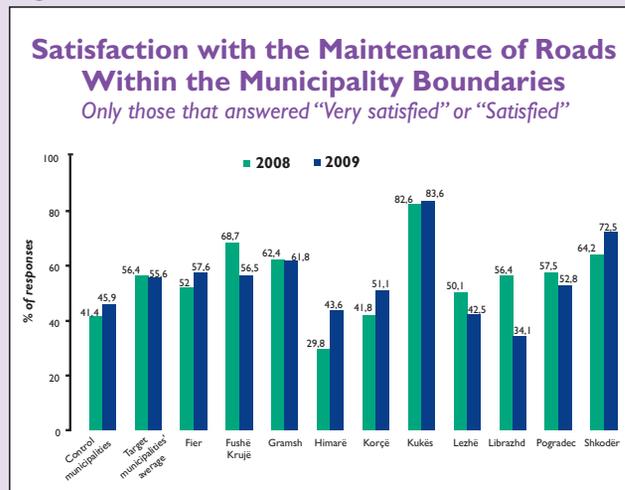
Kukës residents⁷ continue to be the most satisfied with the maintenance of roads within municipality boundaries even in 2009 (Fig. 5).

The second and the third highest rate of satisfaction toward road infrastructure are found in Shkodër and Gramsh, with 72.5% and 61.8% of satisfied respondents respectively.

Instead, the municipality with the lowest rate of satisfied respondents (34.1%) is Librazhd followed by Lezhë with a satisfaction rate of 42.5%. Both municipalities report worsening in 2009 compared to 2008 results.

On average, target municipalities appear to have higher satisfaction rates with “road maintenance” than control municipalities. Librazhd⁸ respondents are less satisfied with road maintenance compared to control municipalities. Even

Fig. 5



though Himarë presents a lower rate of satisfaction compared to control municipalities, it reports an improvement of 13.8 percentage points from 2008 in this aspect. Other target municipalities which report an increase from 2008 in the rate of satisfied respondents with this service are Korçë and Shkodër.

7. 83.6% of residents claim to be ‘Very satisfied’ or ‘Satisfied’ with the maintenance of roads within municipality boundaries.

8. Lezhë and Himarë are not statistically significant different when compared to control municipalities sample.

Drinking Water Supply

Based on the residents' satisfaction rate for the drinking water supply, the municipalities of Gramsh, Librazhd, Pogradec and Korçë show a very good performance in supplying the service mentioned above, where almost all residents state they are satisfied (Fig. 6). The less satisfied residents with the drinking water supply appear to be in Himarë, with only 19.3% of respondents satisfied with this service.

When compared to control municipalities (54.9%), residents in most of target municipalities appear to be more satisfied in this regard. However, it should be noted that there is no difference when comparing residents' satisfaction rate of Lezhë and Fushë Krujë with that of control municipalities.

There is a worsening from 2008 in the satisfaction rate of water supplies of municipalities of Fushë Krujë, Himarë, Kukës and Lezhë with respectively 17.6, 18, 20.4, 9.6 percentage points.

Sewage Service

The Municipalities of Kukës (79.3%), Korçë (75.8%) and Gramsh (75.8%) have the highest rates of satisfaction with sewage service (Fig. 7). Pogradec (62.3%), Librazhd (62%) and Fushë Krujë (61.8%) appear to be the successive municipalities in satisfaction rating. Residents of Himarë (27.1%) and Lezhë (38.1%) continue to be the less satisfied with the sewage service. Even when compared to control municipalities (35.5%), the residents' satisfaction rate in Himarë is lower.

An improvement from 2008 in regard to sewage service is noted in Korçë, Kukës and Pogradec.

Fig. 6

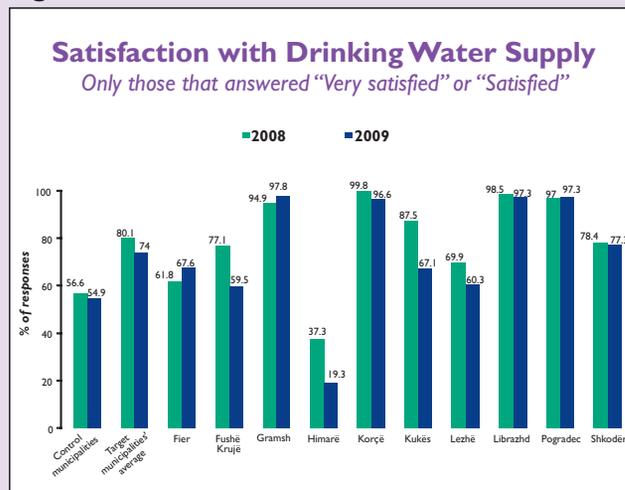
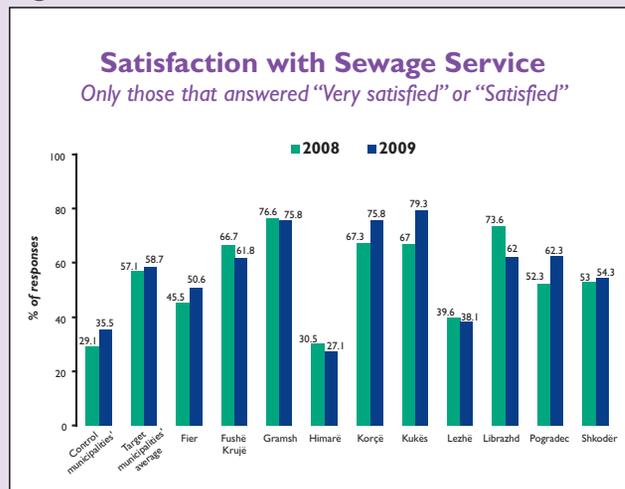


Fig. 7



Street Lighting

In all target municipalities, but Himarë and Lezhë, the majority of residents are satisfied with street lighting in their municipalities (Fig. 8).

Gramsh reports the highest score of satisfaction with 80.8% of residents claiming to be ‘Very satisfied’ or ‘Satisfied’ with this service. The next two municipalities in ranking are Shkodër (77.1%) and Pogradec (76.1%).

Himarë and Lezhë satisfaction rates with street lighting are worse than that of control municipalities.

Residents of Fier report a higher satisfaction rate regarding street lighting in the municipality when it comes to compare 2009 to 2008. There is a decrease in Fushë Krujë, Himarë, Lezhë and Librazhd in the proportion of satisfied residents with street lighting from 2008.

Cleaning Service (Garbage Collection and Disposal, Street Cleaning, etc.)

Residents of Kukës and Gramsh continue to be the most satisfied with the cleaning service when compared to other target municipalities (Fig. 9).

Korçë and Fier follow with satisfaction rates of 68.8% and 60.8% respectively. Himarë and Fushë Krujë have the lowest rate of satisfaction, where 27.6% and 46.1% of residents respectively are satisfied with this service.

On average, satisfaction rate of target municipalities is better than that of control municipalities.

Fier, Kukës and Shkodër report an improvement from 2008, but in Himarë, Fushë Krujë and Librazhd there is a decrease of satisfied residents with the cleaning service.

Fig. 8



Fig. 9



Maintenance of Pre-University School Buildings

Excluding Himarë, in all target municipalities, the majority of residents are satisfied with maintenance of pre-university school buildings (Fig. 10). The highest rates of satisfaction are reported in Kukës and Gramsh, with 86% and 81.3% of residents stating to be satisfied respectively.

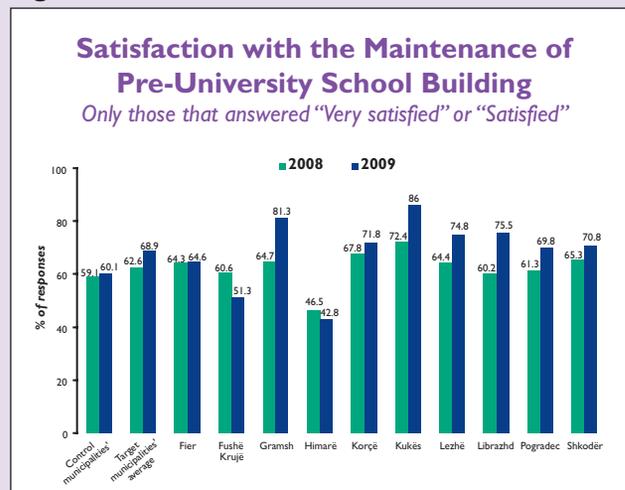
There is an increase in the average residents' satisfaction rate of 6.3 percentage points in target municipalities from 2008. Instead control municipalities show no change compared to a year ago.

Municipalities of Gramsh, Librazhd, Kukës, Lezhë and Pogradec report an increase in the residents' satisfaction rate concerning this service respectively with 16.6, 15.3, 13.6, 10.4, 8.5 percentage points from 2008 to 2009.

Public Services Residents Satisfaction Index (PSRSI) and Overall Evaluation of Services

The evaluation of the respondents on the services of (i) maintenance of roads within municipality boundaries, (ii) drinking water supply, (iii) sewerage service, (iv) street lighting, (v) garbage collection and (vi) maintenance of pre-university buildings were used to calculate the Public Services Residents Satisfaction Index. For better presentation and more accurate statistical analysis the scale was converted to centi-scale ranking from 0 to 100. The conversion was achieved by first inverting the evaluation scale from 1 meaning 'Very satisfied' and 4 meaning 'Very unsatisfied' into 1 meaning 'Very unsatisfied' and 4 meaning 'Very satis-

Fig. 10



fied'. Then 1 was subtracted from each point in the 1-4 scale so that the evaluations are scored from 0-3 scale. The scale is then divided by 3 so it ranges from 0 to 1, and multiplied by 100 to obtain a 0-100 range. In this centi-scale 0 means 'Very unsatisfied' and 100 means 'Very satisfied'. The average of centi-evaluation for the six services⁹ was calculated for each resident, giving that specific resident municipality's services satisfaction. The average of all respondents municipality's services satisfaction was calculated forming the PSRSI for that municipality.

9. All six services evaluated were given the same weight when calculating the average.

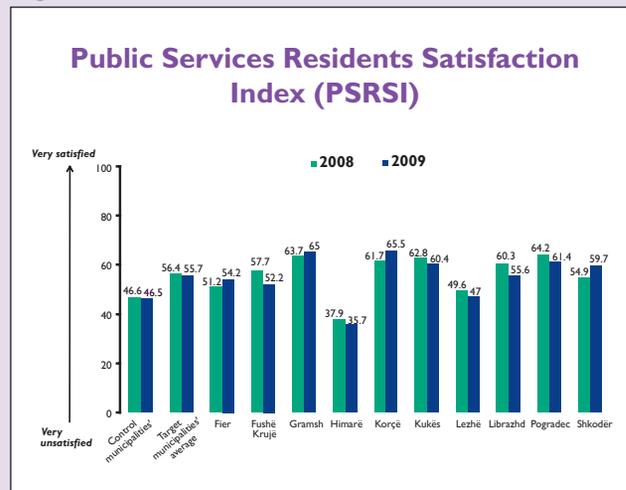
The residents of all target municipalities, but Himarë and Lezhë, are on average more satisfied than unsatisfied with the services provided by their municipality (Fig. 11). As well, on average residents in target municipalities are more satisfied with the quality of the services than residents in control municipalities. The average PSRSI for target municipalities is 55.7 points on a 0-100 scale where 0 means 'Very unsatisfied' and 100 means 'Very satisfied', while for control municipalities, PSRSI is 46.5 points.

Compared to 2008 there are no major shifts of PSRSI in most of the target municipalities. There is a slight decrease of respectively 5.5 points and 4.7 points in the PSRSI of Fushë Krujë and Librazhd, compared to 2008. Instead PSRSI of Shkodër and Korçë have improved slightly respectively with 4.8 and 3.8 points compared to a year ago.

Caveat

There is the need to stress the differences between the 'percentage format' presentation and the indexes. While the former presents the aggregate proportions of only two categories, those that have evaluated the services either as 'Very satisfied' or 'Satisfied', the latter represents an average of all the four evaluation categories, from 'Very satisfied' to 'Very unsatisfied'. The 'percentage format' does not duly represent the internal shifts between the two categories, i.e. it does not tell whether there is an increase in the proportions of those respondents who expressed

Fig. 11



'Satisfied' or a decrease in the proportion of those who evaluated the service as 'Very satisfied'. Instead, since the index takes into consideration all the four categories it is very 'sensitive' toward such shifts in the categories. This is the case of Kukës where it appears that the proportion of the respondents that are either 'Very satisfied' or 'Satisfied' has increased, compared to 2008, for 3 out of 6¹⁰ services evaluated, while Kukës' PSRSI is lower in 2009. This is because of the decrease in the number of Kukës respondents that have evaluated the services as 'Very satisfied'.

10. There is a significant increase, compared to 2008, for the services of sewage, cleaning and maintenance of pre-university school buildings. The satisfaction rates for street lighting and maintenance of roads within municipality boundaries are higher than in 2008, but not statistically significant. Instead for the water supply the evaluation rate is lower compared to 2008.

Accountability and Responsiveness

As part of the questionnaire, residents were requested to evaluate issues closely related with local government administration and its operations. Thus, they gave their perceptions and evaluation for the quality of operations supplied to residents by local bodies including the behavior of civil servants during cooperation with the public, timely service, ability to give answers and solve citizen's problems, office hours convenience, creation of a feeling of trust, clarity of rules and procedures and local administration performance in general in response to residents.

Moreover, residents were asked to give their opinion regarding local government openness and transparency toward residents, fairness when managing municipality's funds and contracts, reflection of residents priorities and needs in investments and budget composition and local government commitment in realizing what it promised to accomplish.

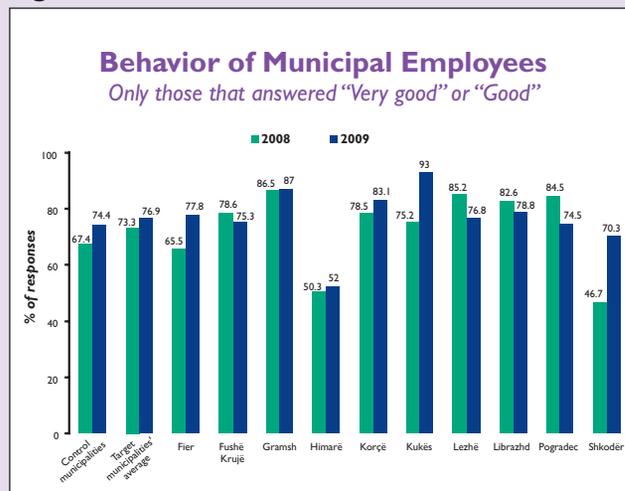
Behavior of Municipal Employees

The majority of residents in most target municipalities are satisfied with the behavior of municipal employees (Fig. 12). The highest satisfaction rate is found in Kukës with 93% of residents stating to be satisfied, followed by residents of Gramsh (87%), Korçë (83.1%) and Librazhd (78.8%).

Himarë reports the lowest score of satisfaction rate (52%) in comparison to control municipalities (74.4%) or other target municipalities.

In Shkodër, Kukës, and Fier more residents are satisfied with the behavior of municipal employees compared to 2008; an increase of 23.6, 17.8, 12.3 percentage points in satisfaction rate respectively.

Fig. 12



Timely Service

Municipalities of Kukës (80%), Gramsh (77.8%) and Fushë Krujë (69.1%) report a better performance in timely service in comparison to other target municipalities (Fig. 13).

Municipalities who are next in the rating are Lezhë (65.8%), Librazhd (65.8%) and Korçë (64.8%). The worst performance is noted in Himarë (44.6%) when less than half of the respondents evaluate this aspect as good. When compared to control municipalities, the respondents' rates who evaluated timely service as 'Very good' or 'Good' are lower in Himarë, Shkodër and Fier.

Municipalities of Fier, Gramsh, Korçë, Kukës and Shkodër have an increase of 9.1, 14.3, 14.3, 15.3, 26.1 percentage points compared to 2008 in this respect, while Pogradec shows a decrease of 12.7 percentage points.

Office Hour's Convenience

The residents most satisfied with the office hour's convenience are in Kukës (89.5%) and Gramsh (78.8%), while the less satisfied are Himarë residents (50%) (Fig. 14). Anyhow, the majority of residents in all target municipalities have evaluated it as 'Very good' or 'Good'.

On average, the satisfaction rate of target municipalities is higher than that of control municipalities.

When compared to 2008, there is a decrease in the rate of respondents evaluating this aspect as good in Fier, Himarë and Pogradec, while the opposite is true for Gramsh, Kukës, Shkodër and Lezhë.

Fig. 13

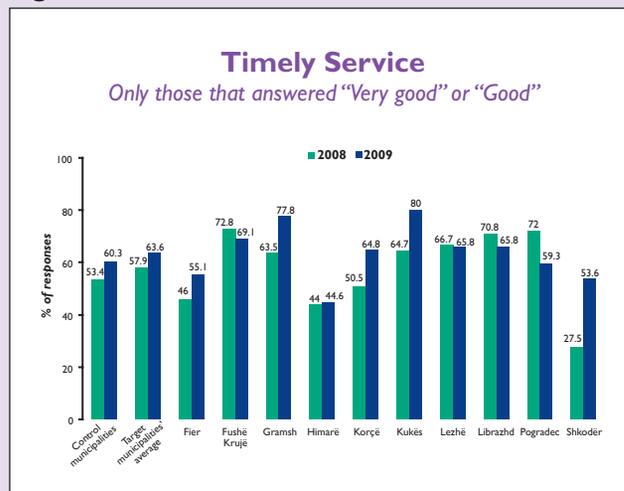
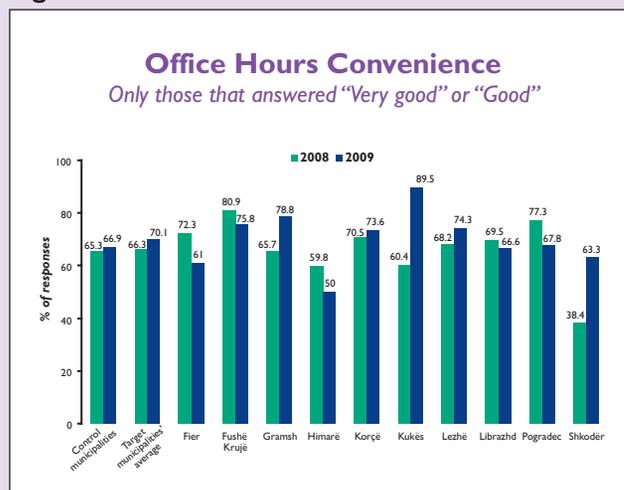


Fig. 14



Ability to Solve Problems/Give Answers to Residents

Kukës and Gramsh have the highest rates with 79.8% and 69.3% of respondents respectively, who evaluated the administration's ability to solve problems as 'Very good' or 'Good' (Fig. 15). Municipalities next in the ranking are Korçë (63.5%) and Librazhd (61.3%). With the exception of Himarë, which presents the lowest satisfaction rate (36.6%), in all other target municipalities residents are more satisfied concerning this issue compared to control municipalities.

Compared to 2008, significantly better performances of local government in solving problems are noted in Gramsh, Korçë, Kukës and Shkodër. Instead in Fushë Krujë, Lezhë and Pogradec the municipality administration ability to give answers has worsened according to their residents.

Easiness to Contact the Right Person

Residents of Kukës (88.5%) appear to have fewer obstacles in contacting the right person in their municipality (Fig. 16). Gramsh, Librazhd, Korçë, and Lezhë follow with satisfaction rates of 78.3%, 70.5%, 64.1%, and 60% respectively. The municipalities which report the worst performance in this respect are Himarë (41.6%) and Shkodër (50.5%).

On average, in target municipalities there is an increase in residents' satisfaction rate compared to 2008, while in control municipalities there is no significant change. Moreover, residents of Fier, Gramsh, Korçë, Kukës and Shkodër appear to face fewer problems when trying to contact the right person in comparison to one year ago.

Fig. 15

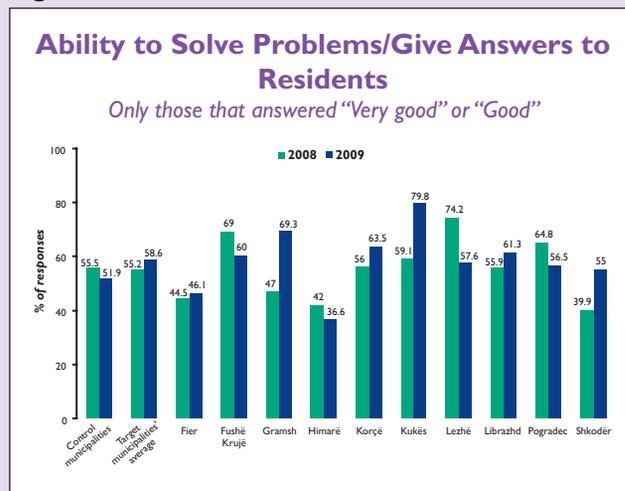


Fig. 16



Clear and Exact Rules and Procedures in Wording

Himarë (40.6%) and Shkodër (50.8%) residents have the lowest rates of evaluating the clarity of procedures as 'Very good' or 'Good' (Fig. 17).

The highest proportion of satisfied respondents is noted in Kukës with a satisfaction rate of 86%, followed by Korçë, Gramsh and Fushë Krujë, where 71.8% of respondents evaluated the clarity of rules and procedures as good.

Compared to 2008, Fier and Kukës report an increase in this respect, while Fushë Krujë, Himarë and Lezhë show a decrease of 7.1, 11.7, 15.2 percentage points respectively.

Performance in General Responding to Residents

Overall, the majority of residents in most of target municipalities have evaluated local administration performance in response to their needs as 'Very good' or 'Good' (Fig. 18). Himarë scores the lowest satisfaction rate with only 42.8% of residents expressing satisfaction, while the highest is found in Kukës (86.8%). When comparing the performance of local government administration to one year ago, municipalities of Fier, Gramsh, Kukës and Shkodër report an increase in this respect, while Fushë Krujë and Lezhë show a significant decrease.

On average, target municipalities report a higher satisfaction rate than control municipalities, 67.9% for the former compared 61.1% for the latter.

Fig. 17

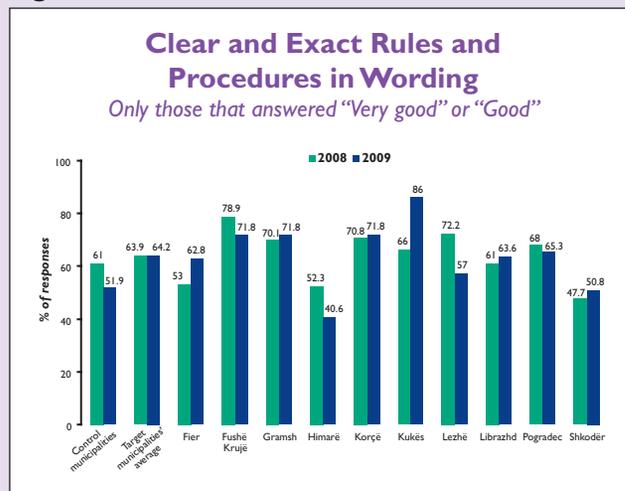
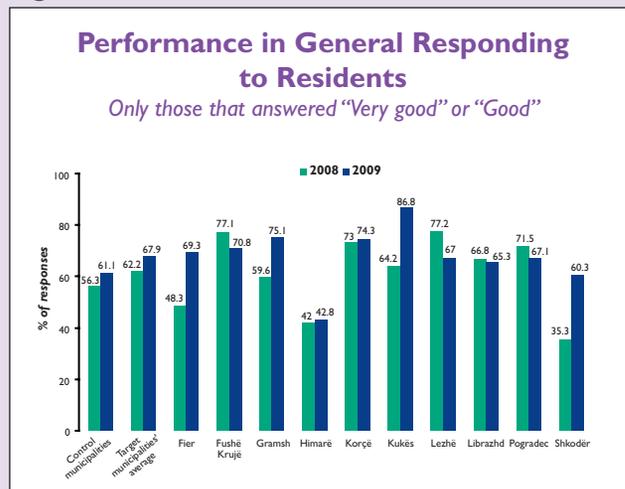


Fig. 18



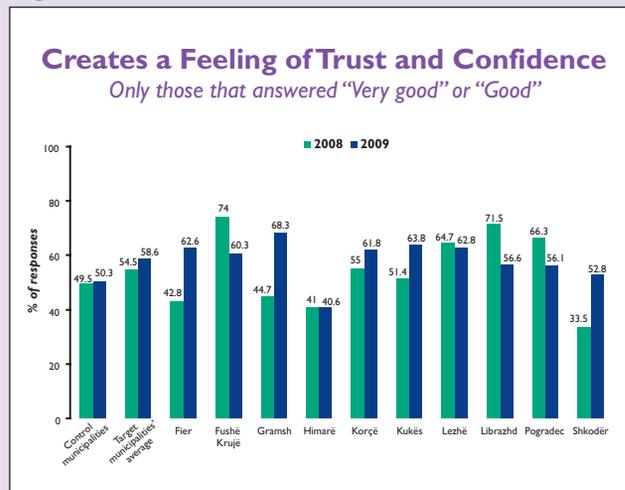
Creates a Feeling of Trust and Confidence

Municipalities of Gramsh (68.3%) and Kukës (63.8%) result to report the highest rates of confidence and trust (Fig. 19). Next in ranking are Lezhë (62.8%) and Fier (62.6%). Residents of Himarë display the lowest rate of satisfaction (40.6%).

On average, target municipalities satisfaction rate (58.6%) is higher than that of control municipalities (50.3%).

Residents of Fier, Gramsh, Kukës and Shkodër appear to be more confident in regard to local government administration when compared to 2008. The opposite is reported for residents of Fushë Krujë, Librazhd and Pogradec.

Fig. 19



Administration Services Residents Satisfaction Index (ASRSI) and Overall Evaluation

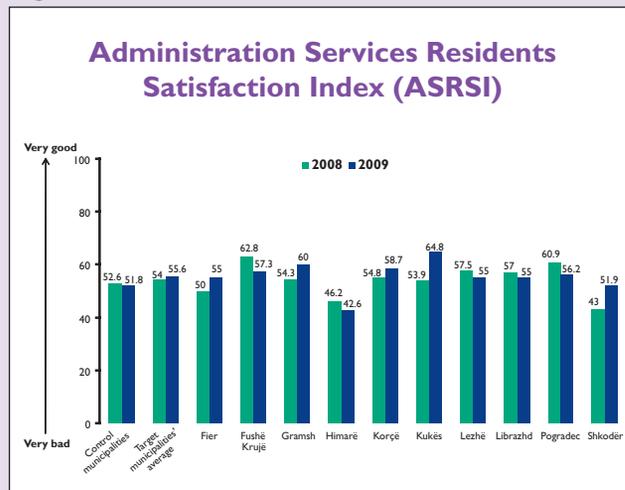
The evaluation of the respondents on the accountability and responsiveness issues such as behavior of municipal employees, performance of municipality in general responding to residents, timely service and other five were used to calculate the Administration Services Residents Satisfaction Index (ASRSI). For better presentation and more accurate statistical analysis the scale was converted to centi-scale ranging from 0 to 100. The conversion was achieved by first inverting the evaluation scale from 1 meaning 'Very good' and 4 meaning 'Very bad' into 1 meaning 'Very bad' and 4 meaning 'Very good'. Then 1 was subtracted to each point in the 1-4 scale so that the evaluations are scored from 0-3 scale. The scale is then divided by 3 so it ranges from 0 to 1, and multiplied by 100 to obtain a 0-100 range. In this centi-scale 0 means 'Very bad' and 100 means 'Very good'.

The average¹¹ centi-evaluation for the eight aspects was calculated for each resident, giving the specific resident administration services satisfaction. The average of all respondents' administration services satisfaction was calculated forming the ASRSI for that municipality.

Except Himarë, in all target municipalities residents are more satisfied with aspects of the services of their municipality administration, compared to the residents of control municipalities (Fig. 20).

On average residents in target municipalities evaluate the services provided by their municipality employees more as

Fig. 20



good than as bad; average ASRSI for target municipalities is 55.6 points on a 0-100 scale where 0 means 'Very bad' and 100 means 'Very good'. control municipalities ASRSI is 51.8 points.

There is an improvement, compared to a year ago, in the administration services satisfaction index in Fier, Gramsh, Korçë, Kukës and Shkodër respectively with 5, 5.7, 3.9, 10.9 and 8.9 points. Instead in Fushë Krujë, Himarë and Pogradec there is a decrease in ASRSI of respectively 5.5, 3.6 and 4.7 points compared to the 2008 survey.

11. All eight aspects evaluated were given the same weight when calculating the average.

Local Government Welcomes Residents' Participation in Municipal Decision Making

Less than half of the residents in most target municipalities state that their local government welcomes citizen participation in municipal decision making.

Himarë (21.1%), Fushë Krujë (31.3%) and Fier (38.3%) are doing worst in this regard. Except Himarë, target municipalities report higher rates of agreement compared to control municipalities (Fig. 21).

In 2009, the municipalities of Fier, Gramsh, Korçë, Kukës, Lezhë and Shkodër report an increase in the proportion of residents who agree that local government welcomes citizen participation in decision making, while the opposite is noted for Fushë Krujë and Himarë.

Local Government Offers Free and Easy Access to Information in Regard to Their Activities and Decisions

According to residents, the municipality of Kukës is more open toward its residents concerning the information it possesses; 60.6% of the respondents 'Strongly agreed' or 'Agreed' with the statement. Korçë and Lezhë follow with 49.8% and 37.5% of residents respectively (Fig. 22).

The municipality of Himarë is doing worst in this respect, where 18.8% of respondents agreed with "Local government offers free and easy access to information in regard to its activities". This proportion is statistically lower than that of control municipalities.

When compared to 2008, there is an increase in this respect in the municipalities of Fier, Gramsh, Korçë and Kukës of respectively 11.8, 13.2, 23.5, 20.7 percentage points in the residents' rate who agreed on the statement.

Fig. 21

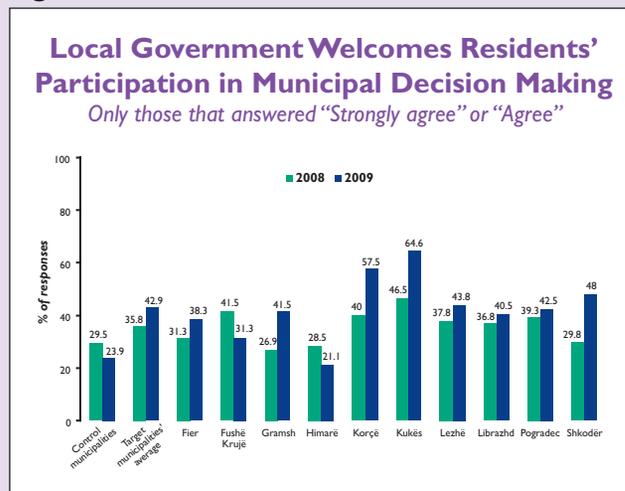
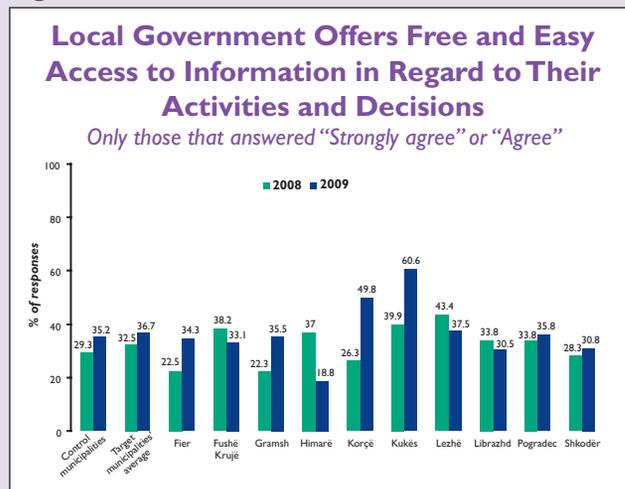


Fig. 22



Local Government Acts in a Fair/Honest Way When Giving Out Contracts

56.5% of residents in Kukës agree that local government acts in an honest way when giving out contracts (Fig. 23). In all other target municipalities the majority of residents think the opposite.

There is a respective increase of 7, 20.7, 15.8, 9.7 and 7.7 percentage points in Gramsh, Korçë, Kukës, Pogradec and Shkodër compared to a year ago.

On average, target municipalities are doing better than control municipalities in this respect.

Local Government Makes Decisions about Local Financial Matters that Reflect the Priorities of Local Residents

In most target municipalities less than half of residents agree that local government makes decisions about local financial matters that reflect residents' priorities. (Fig. 24). A different situation is shown in Kukës where the majority of the respondents (72.3%) agreed on the above statement.

On average the proportion of respondents in target municipalities that think that residents priorities/needs are reflected in local government financial decision making is higher compared to control municipalities; 38.4% in target municipalities vs. 25.8% in control municipalities.

Fig. 23

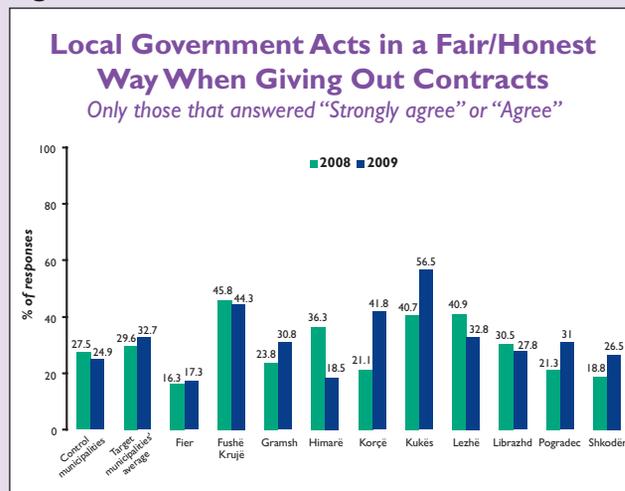
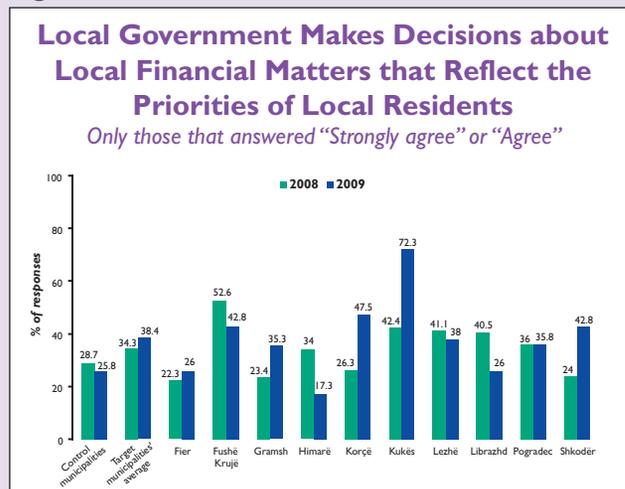


Fig. 24



Local Government Manages Funds Well

The more satisfied residents with the management of local funds appear to be Kukës residents (66%). Fushë Krujë (44.3%) and Korçë (44.1%) follow in ranking, but less than half of their residents have declared that local government manages funds well (Fig. 25).

According to residents' perception, Himarë is performing worst on this issue. On average, target municipalities (37.6%) report a higher rate of agreement that the local government manages funds well compared to control municipalities (25.9%). While only Himarë and Librazhd report a decline and Lezhë and Fushë Krujë no change, the other target municipalities show an increase from 2008.

Corruption

According to residents' perceptions, in Lezhë, Librazhd and Gramsh corruption among local government officials is least widespread compared to other target municipalities; respectively 45.8%, 45.8% and 48.8% of the respondents think that corruption is an issue in their local government (Fig. 26).

Instead, in Pogradec and Fier, as many as 74.3% and 71.6% of the respondents, respectively, think that corruption is widespread in their municipalities. The average percentage of residents in target municipalities (58.4%) that think of corruption as a common phenomena in their municipalities is statistically less than that of the control municipalities (63.9%).

In Fushë Krujë and Himarë there is an increase respectively with 14.1 and 13 percentage points compared to 2008 in the proportion of the respondents who perceive corruption in their municipality as widespread. Instead Fier, Gramsh, Korçë, Kukës, Lezhë and Shkodër report a respective decrease of 5.2, 8.8, 13.9, 12.7, 22.4 and 16.3 percentage points compared to a year ago.

Fig. 25

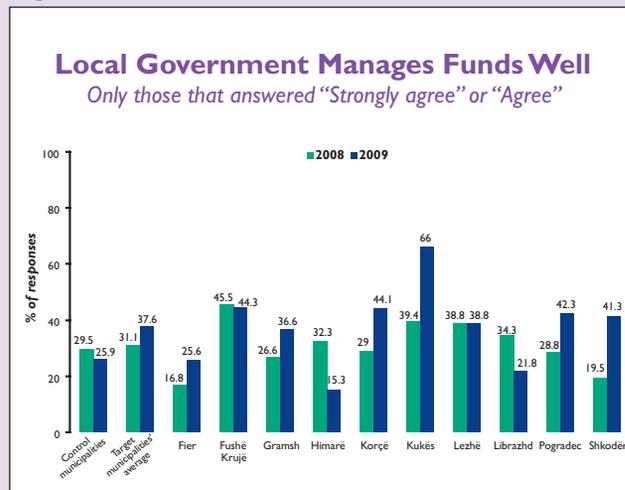
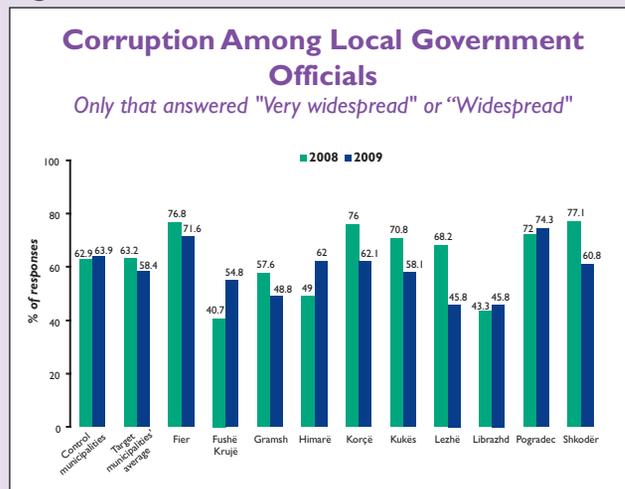


Fig. 26



Priorities for Improvement

Respondents were provided a scenario where limited local funds had to be allocated among 14 services in order to improve them. They were asked to choose the most important service eligible for the funds.

Improvement of water supply was evaluated as the most important priority by residents of Fier, Himarë, Kukës and Lezhë. These are the four out of five¹² municipalities with the lowest satisfaction rate on the service of water supply (see Fig. 6).

In Gramsh, Korçë, Librazhd and Pogradec, residents think that improvement of municipal roads should be eligible for the limited funds in the scenario presented to them. Maintenance of roads within municipalities boundaries is the service – among six evaluated - least satisfactory according to residents of these four municipalities (see Fig. 5 to 10).

Drainage systems was evaluated as the most important service to be improved by the municipality by Shkodër residents, where 16.3% of the respondents choose it as the service eligible for the limited funds in the scenario presented to them. Sewage service¹³ is the least evaluated among the services provided by the municipality (see Fig. 5 to 10), where 54.3% of the respondents are either 'Very satisfied' or 'Satisfied' with the service.

Overall, in both target and control municipalities, residents have mentioned as 'most important priority for improvement' issues related to infrastructure such as water supply, municipal roads and drainage.

12. The fifth municipality is Fushë Krujë. 20.8% of Fushë Krujë respondents evaluated Cleanliness as the most important priority for improvement and 20.3% of them evaluated Water Supply. The difference of 0.5 percentage points is negligible and Water Supply can be as well considered as first priority.

13. Sewage services are part of the Drainage system.

Table 3. Most Important Priority

Most important priority		Priority 1		Priority 2		Priority 3	
		2008	2009	2008	2009	2008	2009
Control Municipalities	Service	Drainage	Water supply	Water supply	Drainage	Cleanliness	Municipal roads
	% of respondents	25	22.6	17	20.9	16.4	11.5
Fier	Service	Drainage	Water supply	Water supply	Cleanliness	Municipal roads	Municipal roads
	% of respondents	17.5	19	14	16	13.8	14
Fushë Krujë	Service	Solid waste	Cleanliness	Green areas	Water supply	Drainage	Green areas
	% of respondents	15.3	20.8	15.3	20.3	10.2	11.5
Gramsh	Service	Municipal roads	Municipal roads	Water supply	Drainage	Green areas	Solid waste
	% of respondents	21.6	11.8	12.7	13.3	9.6	23.8
Himarë	Service	Water supply	Water supply	Municipal roads	Municipal roads	Cleanliness	Cleanliness
	% of respondents	36.8	50.5	27.3	11.3	16.3	10.3
Korçë	Service	Municipal roads	Municipal roads	Green areas	Cleanliness	Cleanliness	Solid waste
	% of respondents	23.5	24	17.3	17.8	11.3	11.3
Kukës	Service	Green areas	Water supply	Cleanliness	Street lighting	Street lighting	Drainage
	% of respondents	13	23	12.5	14	9.7	12
Lezhë	Service	Drainage	Water supply	Municipal roads	Municipal roads	Water supply	Drainage
	% of respondents	20.1	27.3	17.3	25.5	16	19.3
Librazhd	Service	Municipal roads	Municipal roads	Street lighting	Cleanliness	Drainage	Drainage
	% of respondents	25.9	38	20.9	17.3	11.1	7.5
Pogradec	Service	Municipal roads	Municipal roads	Cleanliness	Cleanliness	Drainage	Solid waste
	% of respondents	22.8	19.3	22.5	15.5	15	14.5
Shkodër	Service	Green areas	Drainage	Cleanliness	Cleanliness	Drainage	Green areas
	% of respondents	15	16.3	13.5	14.8	13	10.8

Local Economic Growth Issues

Most respondents in all target municipalities perceive the economy in their municipality as gloomy. When asked about their opinion on the economy more than half of them thought of the economy as either 'stagnant' or 'declining' (Fig. 27).

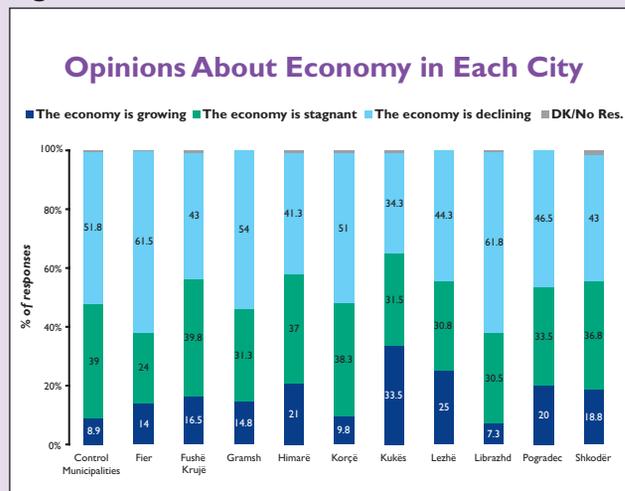
The worst perception of the economic situation is found in Librazhd and Fier with 61.8% and 61.5% of respondents respectively, who think that the economy of the municipality is declining. It is followed by Gramsh, Korçë and Pogradec where respectively 54%, 51% and 46.5% of residents interviewed perceive a declining economy.

Instead, Kukës (33.5%) and Lezhë (25%) report the highest rate of residents who declare that the economy of their municipalities is growing. Furthermore, in Kukës appears the lowest rate of residents who state that the economy in their municipality is declining (34.3%).

A plausible explanation for this may be the concentration of Central Government investments in the area regarding the construction of Durrës-Morinë highway. These investments may have enhanced the economic activities and decreased the rate of unemployment in the municipality, which means higher incomes for the residents and less economic problems.

When compared to control municipalities, municipalities of Fushë Krujë, Himarë, Lezhë, Kukës and Shkodër report a statistically significant smaller rate of respondents who think that the economy is declining. While when analyzing the percentage of respondents who state that the economy is growing, target municipalities, except Librazhd and Korçë report a higher percentage compared to control municipalities.

Fig. 27

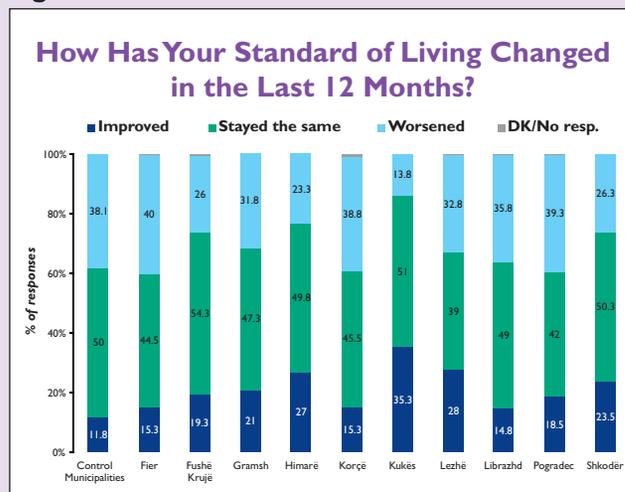


When asked about their standard of living the majority of respondents in all target municipalities think that it has either 'Stayed the same' or 'Worsened' (Fig. 28).

Kukës still reports the higher rate of respondents who are more satisfied with their standard of living. 35.3% of Kukës respondents think that their standard of living has improved during the last 12 months.

Except Fier, Korçë and Librazhd, all other Target Municipalities report a higher rate of respondents whose standard of living has increased during the last year compared to control municipalities.

Fig. 28



Promising Sectors for the Municipality

Respondents were asked to evaluate in 1-4 scale where 1 means 'Very promising' and 4 'Not at all promising' the impact of different economic sectors in the economic growth of their municipality.

Most residents in Fushë Krujë (72.3%) and Lezhë (53.1%) think that *heavy industry* is a promising sector in fostering the economic growth of their municipalities (Tab. 4). In all other target municipalities the majority of their residents think that the role of this sector in enhancing economic growth is either 'Not promising' or 'Not at all promising'.

83.1% of Shkodër residents have evaluated *light industry* as promising for raising the economic performance of their municipality. Kukës, Lezhë and Fier residents think also that investment in the *light industry* in their municipality will further develop the economy of their area. Respectively, 77%, 72.8% and 54.8% of the respondents evaluated the sector as promising. Instead, residents of Himarë do not see *light industry* as a tool for improving the economic situation of their municipality.

Agricultural processing is mentioned by most residents in Lezhë (89.3%), Kukës (72.3%), Fier (67%), Korçë (65.6%), Shkodër (64%), Pogradec (59.8%) and Gramsh (58.5%) as a promising sector for the local economic growth. While the majority of residents of Himarë, Fushë Krujë and Librazhd do not perceive *agro-processing* as either 'Very promising' or 'Promising'.

In Pogradec, Lezhë, Himarë and Shkodër, *tourism* is perceived as a promising sector by almost all their residents. The highest rate is reported in Pogradec with 98.3% of

residents evaluating *tourism* as a future economic boost for their municipality. It is followed by Lezhë with 97.8% and Himarë with 96.3%. In Shkodër 90.8% of the interviewed residents think of *tourism* as an asset for economic growth. The lowest rates of residents who think that *tourism* will boost economic performance of their municipality are in Fushë Krujë (17.1%) and Gramsh (27.8%).

Construction is perceived by the majority of the respondents in all target municipalities as a promising sector. The highest rate of residents claiming *construction* as an important tool in economic growth is found in Lezhë (86.3%), followed by Fier and Himarë with 84.5% and 82.8% respectively. The lowest rate appears in Librazhd with 48% promising rate.

Warehousing & transportation was identified as a promising sector by the majority of the respondents only in the municipalities of Lezhë (68.8%), Fier (59%) and Pogradec (53.5%). In Korçë and Kukës, almost half of the respondents perceive this sector as future economic boost; respectively 48.5% and 47.8% of the respondents evaluated it as promising in local economic growth.

Interesting to note is that the majority of residents in Librazhd are more pessimistic concerning the role of each sector in enhancing economic growth. Each sector is evaluated as either 'Very promising' or 'Promising' by less than half of the interviewed residents in Librazhd.

Table 4. What sectors are promising for your municipality?¹⁴

Promising sector		Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Sector 6
Fier	Sector	Construction	Agricultural processing	Warehousing & transportation	Light industries	Heavy industries	Tourism
	% of respondents	84,6	67	59	54,8	49,1	48
Fushë-Krujë	Sector	Heavy industries	Construction	Light industries	Agricultural processing	Warehousing & transportation	Tourism
	% of respondents	72,3	50,3	46,8	42,3	31,8	17,1
Gramsh	Sector	Agricultural processing	Construction	Light industries	Warehousing & transportation	Tourism	Heavy industries
	% of respondents	58,5	57,5	47,8	41,1	27,8	19,8
Himarë	Sector	Tourism	Construction	Warehousing & transportation	Agricultural processing	Light industries	Heavy industries
	% of respondents	96,3	82,8	46	38,3	14,3	8,5
Korçë	Sector	Construction	Agricultural processing	Light industries	Warehousing & transportation	Tourism	Heavy industries
	% of respondents	69,5	65,6	51,1	48,5	47,1	19,8
Kukës	Sector	Light industries	Agricultural processing	Construction	Tourism	Warehousing & transportation	Heavy industries
	% of respondents	77	72,3	66,5	58,3	47,8	37,3
Lezhë	Sector	Agricultural processing	Tourism	Construction	Light industries	Warehousing & transportation	Heavy industries
	% of respondents	99,3	97,3	86,3	72,8	35,8	53,1
Librazhd	Sector	Construction	Light industries	Agricultural processing	Warehousing & transportation	Tourism	Heavy industries
	% of respondents	48	41,3	40,3	35,8	34,6	14
Pogradec	Sector	Agricultural processing	Light industries	Tourism	Construction	Heavy industries	Warehousing & transportation
	% of respondents	98,3	71,6	62,8	59,8	53,5	23
Shkodër	Sector	Tourism	Light industries	Agricultural processing	Construction	Warehousing & transportation	Heavy industries
	% of respondents	90,8	83,1	64	61,6	43,1	36,3

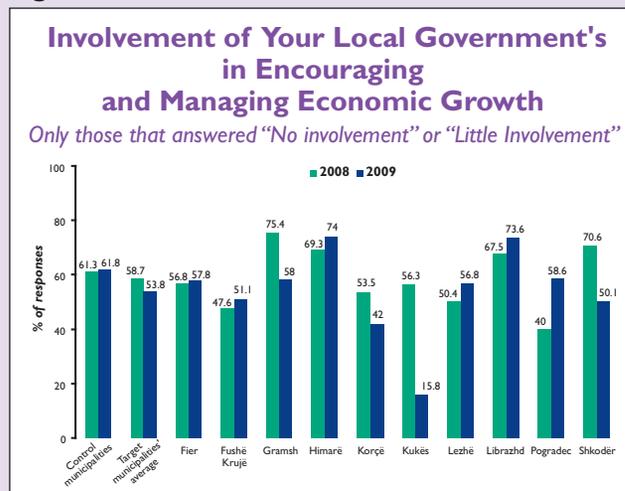
14. Only those that answered “Very promising” or “Promising” in percentage.

Involvement of Local Government in Economic Growth

The perception of residents regarding the involvement of local government in managing and enhancing economic growth differs among the target municipalities. The overall evaluation with the exception of Kukës and Korçë, is that the local government has either ‘Little involvement’ or ‘No involvement’ (Fig. 29). Shkodër residents are split in half on how they perceive the role of local government in regard to this issue. Based on residents’ perception, municipalities of Himarë and Librazhd report lower rates of local government involvement when compared to other target municipalities or control municipalities.

On average 53.8% of the respondents in target municipalities think that their local government involvement in encouraging economic growth is at best little. This average is statistically lower than that of control municipalities where 61.8% of the respondents think the same about their local government. If Kukës - which is an outlier¹⁵ regarding this issue – is taken out of the average calculation, on average 58% of the respondents in each target municipality would perceive little or no involvement by the local government in economic growth. Even this average (58%) is still smaller than that of the control municipalities.

Fig. 29



15. An outlier is an entry which is way below or above the average. Usually more than 3 standard deviations.

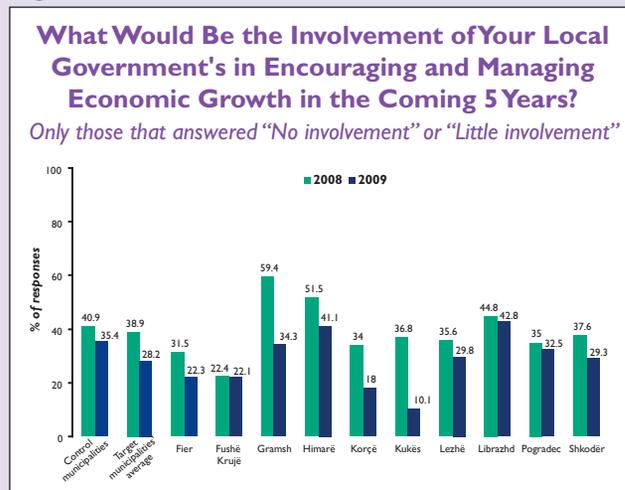
A different situation is present when the residents were asked about the expected future role of local government in fostering economic growth in their municipalities.

Respondents are more optimistic on this issue in comparison to the present role of local government. In all target municipalities less than half of residents think that local government will have 'Little involvement' or 'No involvement' in managing and boosting economic growth.

The lowest rates are found in Kukës (10.1%) and Korçë (18%) while the highest in Himarë (41.1%) and Librazhd (42.8%) (Fig. 30).

Compared to control municipalities, residents of target municipalities are more optimistic concerning the involvement of local government in the next 5 years in managing and enhancing economic growth. On average 28.2% of respondents in each target municipality expect little or no involvement by local government in local economic growth, a difference of 7.2 percentage points from the percentage of respondents in control municipalities with the same expectations.

Fig. 30



Local Government Borrowing

Residents were asked to give their opinions whether they were in favor or not of municipal borrowing in order to raise investments and improve services for its residents.

Pogradec residents seem to be more sensitive on local government borrowing compared to other target municipalities. Only 46.8% agreed with the idea (Fig. 31). In all other target municipalities the majority of residents were in favor of local government borrowing commercial loans to boost services provided.

When the residents who were in favor to local government borrowing were asked if they would still agree with the idea if it results in higher tariffs and taxes for residents and businesses, the majority of them were not in favor. The only exceptions were Himarë with 64.6% of residents still in favor of municipality borrowing and Kukës with 57.6% acceptance rate (Fig. 32). Pogradec residents contested the idea with the lowest rate of 25.7% in comparison to other target municipalities, followed by Korçë, Fier and Shkodër with 30%, 36.6% and 36.9% respectively.

Compared to the 2008 survey, residents in both target and control municipalities are more agreeable to support local government on borrowing issues.

Fig. 31

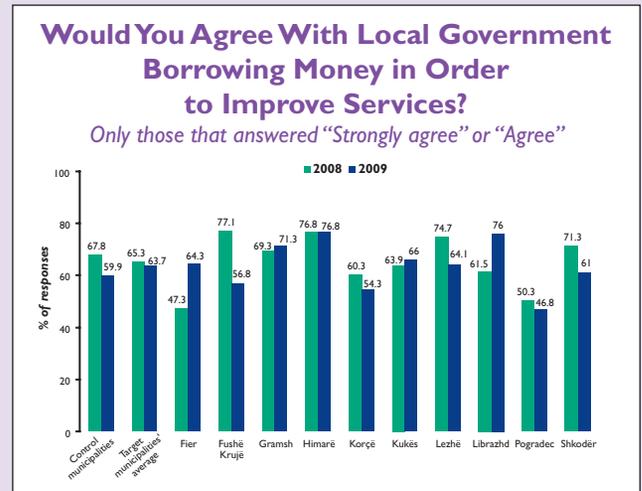
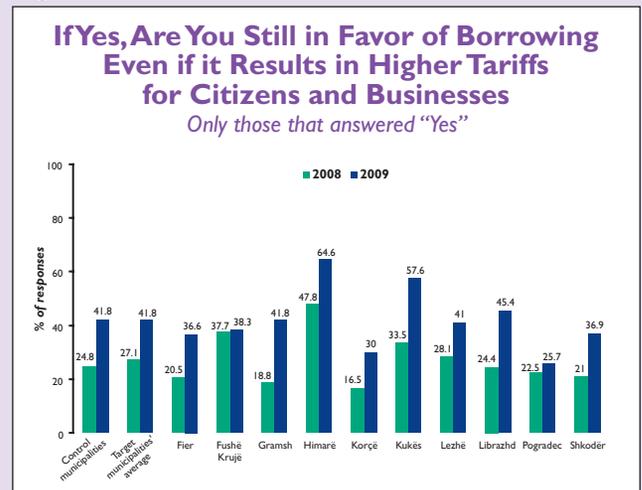


Fig. 32



Sampling Methodology

Target Municipality Sample

In each target municipality were conducted 400 interviews. The same sample design was used for each of the ten samples of the target municipalities. The design consisted of three stages:

1. Selection of Sampling points
2. Selection of Households
3. Selection of Respondents

Selection of Sampling Points consisted in a multilevel design:

- First, the geographical area under the jurisdiction of each municipality was divided into geographical clusters. The clusters were exhaustive and mutually exclusive, that is, no geographical area under the jurisdiction of a municipality does not belong to a cluster and no two clusters have a geographical area in common.
- Second, based on these major clusters, primary sampling units (PSUs) were designed. Each cluster was considered as a PSU. A consecutive natural number was assigned to each cluster.
- Third, 40 random numbers within the range of zero to the total number of clusters were drawn using a random number generating algorithm. In each PSU were conducted 10 interviews, totaling 400 for a target municipality.

Selection of Households within the PSU-s areas was done using the Random Route Sampling method. This method ensures a broad representative sample and reflects the distribution of the population.

Selection of Respondents was done once the household was selected. For each household selected it was interviewed the member of the household that was 18 years of age and over, had the last birthday in the family and was a permanent resident of the household selected.

Control municipalities

A total of 800 interviews were conducted in control municipalities. The sample design consisted of three stages, Selection of Sampling points, Selection of Households and Selection of Respondents. While selection of households and respondents followed the same rules as those of the target municipalities' design, selection of sampling points was done differently.

Selection of Sampling Points was done from the aggregate list of the Voting Centers in all the ten control municipalities. All the control municipalities were considered as a sample universe. A random selection algorithm was used to randomly select 80 Voting Centers from the list, which are considered as PSUs. 10 interviews were conducted in each selected PSU/ Voting Center, totaling to 800.

Once the PSUs were selected, Selection of Households was done through Random Route Sampling method while Selection of Respondents was done using the same criteria as in the target municipalities.

Margin of Error

The margin of error for control municipalities' sample of 800 respondents is $\pm 3.4\%$ with a 95% confidence interval. A sample of 400 respondents randomly selected in the target municipalities assures a margin of error (m.o.e) $\pm 5\%$ with a 95% confidence interval. Put in other words there is a 95% chance that the population parameters falls within the interval whose boundaries are the sample estimator plus/ minus the margin of error.

When comparing proportions between a target municipality and control municipalities sample the m.o.e of the difference of proportions is $\pm 6\%$ with a 95% confidence interval.

When comparing proportions among the target municipalities themselves the m.o.e of the difference of proportions is $\pm 7\%$ with a 95% confidence interval.

The m.o.e of the differences of proportions presented are the largest possible with sample sizes of 400 and 800 respondents and confidence interval of 95%. It is common practice in statistical studies to report the highest possible m.o.e which as well might serve as a rule of thumb when visually comparing the data. However, more accurate tests are required when the result is not clearly visible. If the difference of proportions is higher than the m.o.e reported, then the difference is statistically significant. Meanwhile, if the difference of proportions is slightly less than the respective m.o.e it does not necessarily mean that the difference is not statistically significant. Because m.o.e are relative to the proportions under scrutiny more accurate tests are necessary. Such test are done throughout the study and reported when there is a significant difference.