



## Decentralization through the Lens of the Legacy of Power and Ethnic Conflicts: Western Balkan Case

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### ABSTRACT

Decentralization constitutes one of the main pillars of democracy. Is a very important element of the Public Administration Reform as a whole and have a high importance in the entire process. The countries of the Western Balkans have started this process since the fall of communism, but it still remains a current challenge. It is one of the criteria still not fully met in the context of their European Union membership. Decentralization theorists refer to various models of it, known as territorial or ethnic decentralization. In societies with conflicting ethnic heritage often the model encountered is ethnic decentralization, while in those without ethnic conflicts the territorial one. This paper presents the main decentralization reforms in three countries of the Western Balkans after the fall of communism and their current stage after more than 30 years, focusing on highlighting the impact of the legacy of power and ethnic conflicts in the current stage of decentralization, seen through the lens of progress in the framework of European Union membership. In the analyze is taken Albania, a country that inherited a highly centralized power from the communist period versus Kosovo and Bosnia & Herzegovina, two countries that inherited a relatively de (centralized) power in the communist period but with a deep inheritance of ethnic conflicts.

**Keywords:** Decentralization, Western Balkan countries, Post-Communist Era, European Union

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### 1. Introduction

Decentralization of power is as old as the very existence of the state as apolitically organized entity. Treisman concludes "From Aristotle to Polybius and Cicero, classical authors have debated whether public authority should be trusted monarch, senate or aristocracy, popular assembly or a form that combines all three models" (Treisman, 2007: 6).

Decentralization and local governance are recognized as basic components of democratic governance as providing the enabling environment in which decision-making and service delivery can be brought closer to local people and a very important pillar of Public Administration. Decentralized governance is commonly regarded as a process of transferring powers, functions, responsibilities, and resources from central to local government and other entities on local level. From the organizational point of view, it is a process of restructuring of authority, so that there is a system of co-responsibility between institutions of governance at the central, regional and local levels, thus increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capacities of sub-national levels.

From the mid-1980s onwards, a wave of decentralization reforms swept across the developing world, aimed at transferring

responsibilities, resources and authority from higher to lower levels of government.

In April 1996, the United Nations (UN) General Assembly, at its resumed 50th session, adopted resolution 50/225 on Public Administration and Development. The resolution confirmed the vital importance of strengthening public administration. Decentralization of governance is an important part of the process

The Millennium Declaration, upon which the Millennium Goals are based, recognizes democratic governance as central to the achievement of these goals.

Different societies dictated by the characteristics of their heritage have developed different models of decentralization, territorial or ethnic.

According to David Loew "Ethnic decentralization is the dominant model that has been applied in post-conflict societies" (Loew, 2013: 11).

Another author mentioned: "Ethnic decentralization seeks to represent all citizens through their ethnic elites, the self-determination of ethnic communities and a very limited need for cooperation between ethnic groups" (Schneckener, 2002: 334).

This model of decentralization relies on the organizational and functional aspects of local government mainly along ethnic lines. So, this form of decentralization is outlined according to the ethnic

distribution of the population within the administrative-territorial division of the state.

On the other hand, “the territorial model of decentralization is based on the integrative theory of separation of powers where instead of administrative division along ethnic lines, decentralization is based on the idea of interoperable cooperation between ethnic communities within a given territory” (Loew, 2003: 11).”

Such a form of decentralization tries to inject cooperation between ethnic communities within the administrative-territorial unit and implementation of policies in a multi-ethnic context

This paper addresses the decentralization reforms of the three Western Balkan countries from the beginning of the Post-Communist era until nowadays.

Albania applies the territorial model of decentralization but has inherited a highly centralized power from the communist period, while Kosovo and Bosnia and Herzegovina have applied the ethnic model of decentralization and have inherited a relatively de-centralized power from the communist period.

The methodology used is the descriptive one as well as, analyze and comparative, based on secondary empirical data.

The structure of the paper presents at the beginning a brief history of the Western Balkans and three countries during the communist period, giving features of their powers. Continues with the characteristics of the decentralization after the 90s, addressing in a historical and problematic aspect, the law reforms undertaken in each country as well as the current stage of this process in relation to the aspiration of integration of these countries in the EU.

## **2. Definition and a short historic summary of Western Balkan Countries**

The Western Balkans is a geopolitical term coined by the European Union (EU) structures in the early 2000s and referring to those countries in south-eastern Europe that were not EU members or candidates at the time but could aspire to join the bloc. Originally, the Western Balkan region consisted of seven countries – Albania, Bosnia and Herzegovina, Croatia, Kosovo, Nord Montenegro and Serbia. Croatia has joined the EU 8 years ago (1 July 2013) and for this reason usually today doesn't consider as Western Balkan country.

Between 1918 and 1991, all Western Balkan countries except Albania were part of Yugoslavia. After the World War II, similarly to most of their central and eastern European neighbors, the countries were under communist system.

But these two politico-geographical formations came in the 90s with two very different models of their governing system. Although in terms of the name the governing system was the same “the socialist one” the model of this system had substantial differences between the two groups, the former Yugoslav Republics and Albania.

In Albania, the principle of democratic centralism was the basic principle of organizing the dictatorship of the proletariat or the socialist state. All power in all its dimensions was concentrated in the hands of the Labor party, the state party. Albania's alliances changed partnerships several times during different periods of the communist dictatorship, after the Second World War. The first alliance was with Tito of the former Yugoslavia, after the proclamation of the Republic of Albania in January 1946. This alliance lasted until 1948 when the alliance was annexed to the

USSR after Tito's break-up with Stalin. Even the Soviet alliance did not last long.

In 1961 it was replaced by the Chinese alliance, making Albania the only ally of China in Southeast Europe. Albania went at this point towards its complete isolation, broke away from the Mutual Aid Council and the Warsaw Pact. After China's rapprochement with the US in 1977, Albania also severed relations with China, remaining isolated from the rest of the world. In 1967, Enver Hoxha's regime ordered the demolition of all religious cults and declared in the Constitution that Albania was an atheist country, thus making it the only atheist country in the world.

However, in 1948 Yugoslavia split with the Soviet Union and remained independent from major geopolitical and military blocs in Europe, becoming one of the founders of the Non-Aligned Movement. After 1950, Yugoslavia developed a unique decentralized market socialism model based on employee-managed firms. This model allowed the creation of quasi-market institutions and market-oriented microeconomic behavior. Ex-Yugoslavia remained relatively open to the world in terms of trade and its citizens' freedom to travel.

The disintegration of the Yugoslav federation signified the commencement of a rather difficult period for its former federal units. The establishment of new independent states, starting in 1990s was accompanied by the attempts at transition from the planned to market economy as well as from the one-party to multi-party system. The independence paid by numerous war sacrifices left long-standing consequences on the development of the whole region. Most of its successor states suffered from violent ethnic conflicts, which impacts the entire region in terms of war damage, human suffering, disrupted trade links, refugee flows, sanctions, organized crime and so on. The series of civil wars in the region, which lasted throughout the 1990s, was stopped after many years only by the intervention of United Nations and North Atlantic Treaty Organization (NATO) forces. Politics in those communities continues to be dominated by nationalist sentiments.

While the communist period left Albania as the legacy the most centralized model of power in Europe and perhaps even in the world, the former Yugoslavia left the legacy of ethnic tensions which have resulted in bloody inter-ethnic wars and conflicts.

Serbia still nowadays do not recognize Kosovo as an independent state. Bosnia and Herzegovina, where the civil war was brought to an end by the Dayton Agreement in 1995, is a very loose two-tier confederation of three ethnic communities that is hardly manageable at the central.

## **3. The Characteristics of (de) Centralization in Communist Era**

In Albania the Communist regime was institutionally characterized by the omnipresence of a totalitarian state which, in order to serve the Communist Party as an instrument of centralized rule, encompassed the state-run economy and also permeated the entire societal sphere. State administration was made up of a political and administrative apparatus which, following the doctrine of the unity of state power and so-called democratic centralism, was organized and ruled in a strictly centralized, hierarchical and top down manner. It did not allow any autonomy at the subnational levels and prevented the emergence of any independent economic and societal organization. The elected assemblies were created more by nomination than by veritable elections. Although elections were held regularly and a democratic facade was maintained, they were in reality a more or less formal

affair; a manifestation of political loyalty not a exercise of voters choice. Real decision-making power resided with the Communist Party bureaucracy. Territorial governments, their functionaries and personnel were under the permanent control of the Communist Party bodies, which instructed them how to act on important and politically sensitive issues and which could intervene at any moment in the decision-making process.

This centralized model it was not the model of ex-Yugoslavia. The past decentralization experience (during 1974-1991) of the federal state it was really a experience of the extended self-administering system and extremely developed neighborhood system, where the direct involvement of citizens was a reality. This system was characterized with high level competencies of even national defense and economic regulation. Financially speaking, Local Government Units had almost complete autonomy.

#### 4. Process of Decentralization in Post-Communist Era

In Western Balkan, part of the former Soviet Union, decentralization has been part of the political and economic transformation process, after 1989/1990 from a socialist system to a market economy and had to cope with three fundamental transformations; from a centrally planned state economy to a private market economy; from authoritarian centralized rule to a pluralist democracy; and from party and state-dominated societal organization to a relatively autonomous civil society. Additionally this countries face two development challenges: first - emerged from a decade of conflict and crisis, which influenced the economic, social and political life and structures and second - delayed transition from their socialist systems presents specific significant needs regarding reforms in their economies and public administration.

Each country followed its own trajectory related to historic legacies, geographic features, political factors, and prevailing socio-economic conditions and culture.

##### 4.1. Albania

The process of decentralization reforms in Albania has passed several phases since its beginnings in 1991-1992. Unconditioned ratification of the European Charter of Local Self Government (8548/1998) and the approval of the Law (8653/2000) "On the administrative-territorial division of the units of local government in the Republic of Albania", marks the second important moment in the decentralization of government, thus establishing the framework for full administrative and fiscal decentralization, which split into 12 regions; 65 municipalities; and 309 communes (Law 8653/2000).

It should be emphasized here that in 2000, the administrative-territorial division of Albania was not based on research or in-depth analysis of the capacity and skills of local government units to conduct decentralized functions and powers. Greater decentralization reform in 2000 was based on the concept of decentralization of duties and the symmetrical competencies therefore not draw a distinction between the size of local government units or capacity to perform these functions. Therefore, all political factors in the country have recognized the need for an administrative-territorial reorganization in Albania, dictated by international demand.

The year 2005 marks another significant moment in the government decentralization process, and the change of government also changed the strategic approach to the fiscal

decentralization process. The intergovernmental transfers and grants system was reformed, introducing the almost full fiscal equalization as the instrument that would solve the problem of small and very small local government units to generate revenues and provide services to citizens. This approach, supported by the idea that it preserved and improved democratization of government, created instead confusion as to what was defined by decentralization strategy as good and effective government.

During the first years of the implementation of the above reform, it was a clear a negative impact on the transfers system, fiscal autonomy, responsibility and functions transfer.

In the first years after the start of the reform, a long list of problems was identified:

(i) large level of fragmentation - 20% of Albania's population live in 232 LGUs or over 75% of the total LGUs have less than 5,000 inhabitants - resulting in very high administrative costs in providing services to citizens; (ii) the issue of limited human resources frequently faced by small local government units, resulting in the inability to exercise local functions, generate and collect revenues and provide services; (iii) the pending administrative and fiscal decentralization process, resulting to some extent from poor local government units capacity, but also from frequent and chaotic interventions to the legal basis, the reduction of fiscal autonomy and lack of financial coverage of mandates for shared functions; (iv) unclear role of regions as coordinators and supporters in exercising local functions; (v) the need for an internal regional development policy that complies with the EU integration requirements and the necessity for multi-level governance, including the regional one (Ministria për Çështjet Vendore, 2014).

The progress report of the European Commission for 2012 and 2013 explicitly refers to the reform of administrative - territorial as: "About local governance, there has been progressing in the territorial administrative reform. Small units of local government are often economically unsustainable" (European Commission, 2012). In the 25th session of the Congress of Local and Regional Authorities of the Council of Europe in Strasbourg on 29-31 October 2013, it was approved for Albania recommendation that explicitly states; "to intensify the decentralization process in the light of the European Charter of Governance local and recommendations to Congress and initiate a territorial system reform that would allow municipalities and districts to meet their responsibilities, particularly in the field of spatial development of their territories and urban planning" (The Congress of Local and Regional Authorities of the Council of Europe, 2013).

All these external and internal factors determinate the need for a new administrative-territorial reorganization of Albania. Before drafting the new model of decentralization reform, the government considered successful European models with similar characteristics such as Ireland and Denmark, where many small administrative units were converted in big ones some years ago and resulted successful.

On July 31, 2014, the Parliament adopted the Law 115/2014 "On the administrative and territorial units of local government in the Republic of Albania", which contains defines a new division of administrative-territorial in 12 counties and 61 municipalities (Law, 115/2014).

This law was approved only with the votes of the socialist majority and with the deep opposition of the democratic opposition. The main argument used by the majority was to merge small units into large units to cut administrative costs.

The period 2014-2018 it was a transitional phase in local government decentralization and served to complete the respective legal and sublegal framework.

After 7 years from the reform, currently in 2021, both parties, both the majority and the opposition, express the necessity of a new territorial reform in the function of decentralization, despite various arguments.

For the socialist majority the reason is the improvement of services for the citizen and the local economic empowerment, while for the opposition the reason is the failure of the 2014 reform both in terms of cutting administrative costs and increasing local revenues.

The opposition remains also critical regarding the local public services. Moreover the democratic opposition states that the quality and quantity of services provided to the citizen was reduced, especially in large municipalities due to the distance from the center.

In March 2020 the European Council endorsed the General Affairs Council's decision to open accession negotiations with Albania and in October 2021 Commission confirms that Albania continues to fulfil the conditions to open accession negotiations and looks forward to the holding of the first Intergovernmental Conference as soon as possible.

Albania is moderately prepared with the reform of its public administration. It made some progress was made in building capacity in line ministries to implement regulatory impact assessments, adopting guidelines for public consultations, setting up the IT systems for integrated planning, increasing the implementation rate of the National European Integration Plan, increasing the number of e-services, and completing the testing phase to automate the payroll system. Implementation of the 2015-2022 public administration reform (PAR) and the 2014-2022 public financial management (PFM) reform strategies has continued despite the impact of the pandemic (European Commission, 2021).

#### 4.2. Kosovo

Kosovo as an autonomous province of the former Yugoslavia did not have the opportunity and support of the international community to seek independence after the break-up of the former Yugoslavia like the other former republics of the Yugoslav federation.

In 1990, the Assembly of Kosovo declared Kosovo independent, within the Federation of the former Yugoslavia, but the request made by the representatives of the Assembly to European Politic Committee for international recognition in December 1991, was rejected from the Badinter Commission, with the argument that Kosovo was not a republic of the federation but an autonomous unit.

The issue of Kosovo remained under the custody of the Republic of Serbia, which had to take care of the interests of the state and the security of all its citizens, in accordance with the international obligations of respect for human rights and national minorities.

The Assembly of Kosovo declares Kosovo through the Constitutional Declaration "independent and equal units within the framework of the Federation of Yugoslavia, and as an equal entity vis-a-vis other parties in Yugoslavia (Prifti, 1990: 329).

Meanwhile, the reality of the Milosevic regime towards the rights of the Albanians in Kosovo was the constant violence and repression that outlined the abolition of the autonomy gained by the Yugoslav Constitution of 1974, action that culminated with the offensive of the Serbian army in 1999 for the ethnic cleansing of Kosovo.

According to United Nations High Commissioner for Refugees (UNHCR), within three weeks of the start of the NATO bombing they arrived in the countries neighboring 525,787 refugees. While on the whole, government forces expelled from Kosovo 862,979 ethnic Albanians, while hundreds of thousands more moved inwards, and here those who were are not counted displaced before March 1999. More than 80% of the entire population of Kosovo - 90% of Albanians - were evicted from their homes (HRW, 2001).

The number of victims of Serbian aggression in Kosovo, until the withdrawal of Yugoslav armed forces from Kosovo and the establishment of the United Nations Interim Administration Mission in Kosovo (UNMIK) at 10 June 1999 is estimated to reach 10 thousand, while for many of them have not yet found their cadaver (Shenon, 1999).

After the conflict situation, local government has been subject to a range of reform strategies over the years with several overlapping and others even contradicting each other.

The UN Mission in Kosovo abolished former Yugoslav structures and re-established 30 municipal authorities with a European-based legal framework, based on the Regulation 2000/45 on Self Government of Municipalities in Kosovo (UNMIK, 2000). Despite initial de jure devolution of rights to local authorities, several competences were recentralized soon after by the UNMIK administration.

Reform of local government in Kosovo became a prominent issue in October 2002, when the then Special Representative of the Secretary-General of the United Nations, Michael Steiner, promised to decentralize local government structures in the hope of encouraging the Serb community to take part in local elections.

One of the dominant issues challenging decentralization reforms concerns the ethnic factor in Kosovo which 'tainted' any attempts to promote a solely administrative understanding of the reforms.

Regulations on local competences and intergovernmental relations changed frequently making an exploration of the legislation and policies a challenge. Local government reform, addressed in 2003/2004 with the Standards for Kosovo policy, aimed to introduce local governments to benchmarks of good governance through measures of democratic institutions, rule of law, local development and integration of minorities. The following Framework for the Reform of Local Self-Government in 2005 did not result in diminishing the disparity between central and local interests and local governments were largely evaluated to fail in achieving standards of good governance.

Some years later, the Regulation No. 2007/27 "On Municipal Elections, enabling the direct election of Mayors in municipalities, brought a principal advancements towards decentralization, which means also the first step towards local government reform.

Kosovo declared its independence on February 17, 2008, after a 9 - year period under the UNMIK's administration.

Annex III on Decentralization, of the Ahtisaari Comprehensive Status Proposal ensured a 'final' push for political, administrative and fiscal decentralization. The significance of the new legal framework adopted in 2008, (after Kosovo Independence 17 February 2008) and the elements of power devolution were undermined by the political clashes between Albanians and Serbs and became more apparent to municipalities only recently as municipalities began to fully operationalize their aspirations of more competences.

The legal regulation of issues related to decentralization and advancement of administration and municipal government in Kosovo may be divided into three periods, such as:

- Period during which municipalities were administered under Legal Regulations from UNMIK Administration, with a certain Municipal Administrator (UNMIK Regulation No.1999/14 and UNMIK Regulation No. 2000/45);
- Period during which municipalities were administered under Legal Regulations from UNMIK Administration, but without International Municipal Administrator (UNMIK Regulation No. 2003/11 and UNMIK Regulation No. 2007/30);
- Period of local self-government according to the laws issued by the Assembly of the Republic of Kosovo (Law on Local Self-Government/2008 and revised continuously, 2013, 2015).

During the period of international administration, Kosovo had a total of thirty 30 municipalities and each of these thirty (30) municipalities had its settlements, as well as the cathedral area (Rregullore Nr. 2000/43, Unmik/Reg/2000/43, 27 Korrik 2000).

The model of decentralization after the declaration of independence of Kosovo is the one envisaged in the Comprehensive Proposal for the Settlement of Kosovo Final Status 2007, otherwise known as the Ahtisaari Plan (Propozimi Gjithëpërfshirës për Marrëveshjen për Statusin e Kosovës, 2007).

This model defined the features as follows:

- Establishment of Serb-majority municipalities;
- Extended own competencies of only a few municipalities;
- The right of Serbian municipalities to implement the programs of the Republic of Serbia;
- The right to a Serbian university in the municipality of North Mitrovica;
- The right of cooperation with municipalities in the Republic of Serbia through special agreements;
- The right to receive donations from the Republic of Serbia (Propozimi Gjithëpërfshirës për Marrëveshjen për Statusin e Kosovës, 2007).

After the implementation of Ahtisaari Plan nowadays Kosovo has 38 municipalities, 27 of which have an Albanian ethnic majority, 10 Serb and 1 Turkish.

For more than 10 years, Serbian municipalities have been claiming to have their autonomy within the Republic of Kosovo, a request that is strongly opposed by the state of Kosovo as contrary to the Constitution and Territorial Integrity.

The Serbian community and the Serb political parties, under significant pressure from Belgrade, in the North have so far resisted integrating with Kosovo institutions. Parallel structures have decreased significantly after the international financial crisis of 2008, but the Serbian government funds healthcare, education services in a number of Serb majority areas.

Following Kosovo's Declaration of Independence, despite the powerful backing of decentralization policies by the international community, local governance remains weakened often confused over the ever changing legal framework and its impact on their responsibilities and competencies.

The central government dependency on financial and technical assistance of international agencies diminished its power and authority to drive change towards new governance at the local level. The difficult challenge remains to reconfigure the state's role at all levels of governing and to establish improved links between the center and local levels as well as between citizen and state institutions.

Even for the year 2021, as for several previous years, the Report of the European Commission in the framework of Kosovo's aspirations for membership in the European Union continues to be critical.

There is some level of preparation in the area of public administration reform, but there was no progress on this front during the reporting period, given the frequent government changes. The Law on Public Officials entered into force in June but no significant efforts were made to start its implementation especially with regard to recruitments. The establishment of an effective central recruitment department was delayed. Undue political influence over appointments and dismissals of senior public functionaries and civil servants has been observed in some instances and Kosovo has met only some of its commitments to merit-based criteria. It made no progress in addressing the inequalities in the public sector salary system. The process to streamline agencies has stalled. Legal uncertainty for businesses and individuals persists due to the continued lack of progress on harmonizing sectorial legislation with the Law on General Administrative Procedure. A renewed commitment to public administration reform is urgent (European Commission, 2021).

#### 4.3. Bosnia and Herzegovina (BiH)

BiH has a distinctive demographic characteristic, compared to some of the other countries of the Western Balkans. Its population consists of three ethnic groups, the conflict between which caused an ethnically rooted war (1992–95).

Immediately after the dissolution of the former Yugoslav Republic after the 1990s, and the recognition of BiH independence by the United States in April 1992, Bosnian Serb paramilitary forces began firing on Sarajevo. The artillery bombardment of the city by Bosnian Serb units of the Yugoslav army began soon thereafter, causing the largest war after post-World War II in Europe with more than 100,000 victims (Zwierzchowski and Tabeau, 2010). The war continued until a final cease-fire negotiated at Dayton, in 1995.

The legacy of the war significantly complicates the country's transition in comparison to neighboring countries. Regardless of numerous reforms some progress has been made in modernizing the legislative framework of decentralization, without deep changes in the structure system.

The first laws on local government were adapted during 1995 – 1999, but it was Bosnia and Herzegovina membership in Council of Europe in 2002 that marked a milestone in regard of decentralization.

No municipality, village, city or settlement in Bosnia at the end of 1999 had a truly permanent population, since refugees from the war have not all returned, the ethnic composition of most areas changed dramatically during the war.

In the ethnically cleansed areas, manipulation of voter lists has been found, making certification of elections often impossible.

Municipal elections were delayed several times and were hard to certify in the ethnically cleansed areas, where prewar electoral rolls were manipulated to mask the extent of ethnic cleansing.

The adoption of the new set of local government laws, in Republica Srpska in 2004 and in Bosnia and Herzegovina Federation in 2006 marked a new phase in decentralization reform in BiH.

In response to the war, Bosnia and Herzegovina Federation created many new municipalities, which increased the total number by almost half and fragmented many into sizes that may be too small for efficient service delivery.

More than forty new municipalities were created; some pre-war municipalities lost territory or were divided, many new municipalities were a "Mjesna Zajednica" (local community) of the parent municipality that was split off. Most new municipal boundaries reflect changes in ethnic composition. Municipalities

were divided between the Bosnia and Herzegovina Federation and Republika Srpska and local governments with ethnic minorities became new municipalities. Basic administrative structures in Bosnia and Herzegovina are fragmented over the five levels of government: municipal, cantonal, entity, Brčko District and state levels (European Bank for Reconstruction and Development, 2014: 2-4).

Local Government both entities in Bosnia (the Republika Srpska and the Federation of Bosnia and Herzegovina) are organized into municipalities as the basic local government unit. In addition to a federal level of government and local governments, the Federation entity contains sub-national units called cantons. They have their own legislature, basic laws (constitutions) governors and ministries (United Nations / DESA, 2003: 2-7).

The Republika Srpska has a centralized administrative structure and Ministry of Local Self-Government to regulate and co-ordinate municipalities. The Federation does not have a Ministry, but a Law on Local Self-Government, which forms the basis for the canton laws that together with taxation and regulatory powers should coordinate municipalities within the entity. Local government legislation in the entities and consequently cantons is derived from the state Constitution that essentially devolves all issues related to local self-government to the lowest possible level.

The district of Brčko has a separate status from the two entities. Cities are an additional structure in urban governance. Cities have their own budgets, financed by own revenues, shared revenues, and grants from cantons in the Federation or Entity in Republika Srpska. There have been cases where the administrative relationship between cities and municipalities was not always clear and remained to be settled by politics or the judiciary.

Conflict legacies are reflected in current municipal structure. Municipalities vary widely in size, population, and resources. Population size ranges from a "micro" municipality with around 60 inhabitants, to Banja Luka with 225 123 inhabitants (Bojicic-Dzelilovic, 2011: 15).

The situation in Bosnia and Herzegovina is very specific with regard to governance issues: On the one hand, decentralization efforts are being brought to the local government units, on the other hand, the process of centralization is continued by the central state entities. It established a highly decentralized, fragmented state with weak central state institutions and two sub-state entities:

Progress report in the framework of European Union membership remains critical, still for the year 2021, in terms of the challenge of decentralization and with slightly less changes from the reports of at least 5 previous years.

Bosnia and Herzegovina is at an early stage of preparation with public administration reform (PAR); some progress was made by adopting the action plan on public administration reform as well as strategies on public financial management at all levels of government. The country needs to ensure a professional and depoliticized civil service and a coordinated countrywide approach to policy-making (European Commission, 2021).

## 5. Conclusion

At the end of the analysis it is clearly concluded that although decentralization reforms should have been more successful in Kosovo and Bosnia and Herzegovina comparing to Albania, due to their rich past with elements of de (centralization) of power, the reality offers the opposite picture.

Albania refers to a more successful decentralization reform, although has inherited the deepest centralization of power from the Communist Era.

The political struggle for power between the left and the right parties, has been and remains the main factor of the instability of the territorial reforms in Albania, despite the progress made.

This conflict has caused frequently changes of the Albanian territorial administrative configuration within a short time, making it unstable.

The European Commission has confirmed the fulfillment of the membership conditions for Albania while there are still many tasks to complete from Kosovo and Bosnia and Herzegovina.

It is clearly concluded that the main obstacles regarding Kosovo and Bosnia and Herzegovina are the inherited ethnic conflicts which have imposed ethnic decentralization in these countries different from the territorial decentralization applied in Albania.

Ethnic decentralization reveals its shortcomings. Not only doesn't enable inter-ethnic communication but it makes the communication of non-majority communities with the central government increasingly aggravated.

The progress made so far has been slow and is still far from real decentralization parameters. Burdened with ethnic and nationalist conflicts the decentralization reforms are characterized by fragmented structures with unclear division of levels and powers, and non-existent accountability mechanisms.

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