

# **Local Government Services, Accountability and Local Economic Growth**

LGPA 2010 City Surveys  
Summary Report

Prepared by IDRA

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# **1 Introduction**

## **1.1 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, Elbasan, Korçë, Kukës, Lezhë, Librazhd, Pogradec, and Shkodër.

LGPA aims at encouraging and facilitating local economic growth in Target Cities through increases in investment, employment, and income, ultimately expanding the local tax base. LGPA provides technical assistance and on 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 Cities 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 Cities to improve the quality and efficiency of services provided to citizens 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 Cities, 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.

## 1.2 Citizen Surveys

As part of LGPA project is the conduct of an annual survey in all the ten cities beneficiaries of LGPA program, called hereafter as *target cities* and ten other cities, non beneficiaries of the LGPA grant, called hereafter as *Control Cities*.

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

- (i) For 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) For comparative purposes between *recipient* vs. *non-recipient* municipalities.

The interviews were held during the period of September-October 2010. This is the third wave conducted by IDRA. The first wave was conducted during the month of April 2008.

The Local Government Survey 2010 consisted of a total random representative sample of 4800 Albanian citizens.

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

- *The Target Cities Survey*<sup>1</sup>, which covered 10 Cities (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 Elbasan.
- *The Control Municipalities Survey*<sup>2</sup> involved cities of Laç, Peshkopi, Durrës, Kamëz, Rrogozhinë, Berat, Prrenjas, Bilisht, Gjirokastër and Sarandë. These cities do not take part in the LGPA program.

This report, which covers the periods of time of 2008- 2010, presents the key findings to the surveys. The results are presented for the control municipalities sample and for each Target Cities. In this way, four different comparisons are possible:

1. Target Cities results 2010 vs. Control municipalities 2010
2. Target Cities results 2010 vs. Control municipalities 2009
3. Target Cities results 2010 vs. Control municipalities 2008
4. Target Cities progress vs. Control municipalities progress

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<sup>1</sup> Target Cities data for 2008 and 2009 surveys take into account 10 municipalities including also data from Himara municipality which was part of the surveys in 2008 and 2009 while in 2010 instead of Himara was included the municipality of Elbasan.

<sup>2</sup> For comparison purposes the cities composing the Control Municipalities are similar to those of the 2008 survey.



## 2 Key Findings

### 2.1 Primary Concerns

Based on citizens' responses, target and Control Municipalities seem to face the same problems, even when compared with previous surveys of 2009 and 2008. *Employment/Lack of employment opportunities* is the number one concern in Control Municipalities and target cities.

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

*Poverty/ Social Service* are other concerns that target cities face according to respondents.

In 2010, *Environmental* problems are ranked for the first time since 2008 among the first three most mentioned concerns by the residents of Shkodër, Fushë Krujë and especially for Elbasan residents where one out of five consider it as a problematic concern.

### 2.2 Satisfaction with Public Services

Public Services Residents Satisfaction Index (PSRSI)<sup>3</sup> for all Target Cities is 54.3 points, compared to 40.7 points for control municipalities. This means that on average, residents of target cities are more satisfied than unsatisfied with the services provided by their municipality while the opposite is true for their counterparts in control municipalities. Since 2008 the PSRSI index has remained stable over time with no statistically significant differences.

Overall, according to 2010 survey, residents of Korçë, Kukës and Elbasan seem to be more satisfied with public services than those of other Target Cities or control municipalities. The opposite stands for the residents of Fushë Krujë, who appear to be less satisfied of public services than the residents of other Target Cities.

Citizens of Target Cities 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.

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<sup>3</sup> 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'

### 2.3 Accountability and responsiveness

Administration Services Residents Satisfaction Index (ASRSI)<sup>4</sup> is on average for all Target Cities 57.6 point. On average, residents in Target Cities are more satisfied than unsatisfied with the services provided by their local administration. The average ASRSI for Target Cities is 6.2 points higher than that of Control municipalities.

The majority of citizens in all target cities are satisfied with behavior of municipal employees and office hour's convenience. Timely service and performance when responding to citizens' needs are generally evaluated as *good* by the majority of citizens in target cities.

ASRSI for all Target Cities in 2010 survey shows no statistical significant change since 2009 and 2008. Though the overall index ASRSI shows no statistical trend from 2008 for Target Cities on average, the satisfactory rates for almost all of its singular aspects such as '*Ability to solve problems*, '*Performance in general responding to citizens*' as well as the *behavior* or *timely service* have significantly improved.

Anyway, differences are noted for each operation from municipality to municipality. So, the performance of the administration office in the municipalities of Fier, Kukës, Korçë and Shkodër is rated higher than in 2008 for all its components of the study while the opposite can be said for the municipality of Fushë Krujë and Librazhd

### 2.4 Local Economic Growth Issues

- Most of the citizens questioned in Target Cities answered that the economy of their city 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 Cities state that it has either stayed the same or has worsened. Since 2008 the net difference between the proportions of residents who stated that the economy has been improving and those stating that the economy has deteriorated for Target Cities' has shrunk by (+13.9%) while in control municipalities the opposite is reflected. Among Target Cities, Kukës reports the highest rate of respondents who mention that their standard of living has improved.
- In 2010, less than half (47.5%) of residents in Target Cities think that that local government has little or no involvement in encouraging and managing economic growth. This proportion of residents has been constantly reduced since 2008 (58.7%).

The smallest percentage of residents thinking this way is still in Kukës (25.3%) followed by Fier (34.3%), Lezhë (36.5%), Korçë (38.3%), Pogradec (44.5%). On the

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<sup>4</sup> A composed index by the satisfaction evaluation of respondents on eight service provided by local administration on a 0-100 scale where 0 means 'Very unsatisfied' and 100 means 'Very satisfied'.

other hand, when asked for the future role of local government in fostering and managing economic growth, citizens of Target Cities seem to be more optimistic and see a higher role for local governments.

- Tourism and Agriculture Processing are seen as the most promising sectors in boosting economic growth in most of the Target Cities. 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.

## **2.5 Local Government Borrowing**

The majority of respondents in Target Cities continue to be in favor of Local Government borrowing. Although the majority of residents in Target Cities are still in favor anyway there is no statistical significant change in attitude among residents since 2008. However, when asked if they were still in favor of borrowing even if Local Government Borrowing results in higher taxes for citizens and businesses, in most Target Cities more than half of them changed their position. The citizens of Shkodër and Korçë did show a greater rate of acceptability to such possibility when compared to other target and control municipalities.

### 3 Presentation of Results and other notes

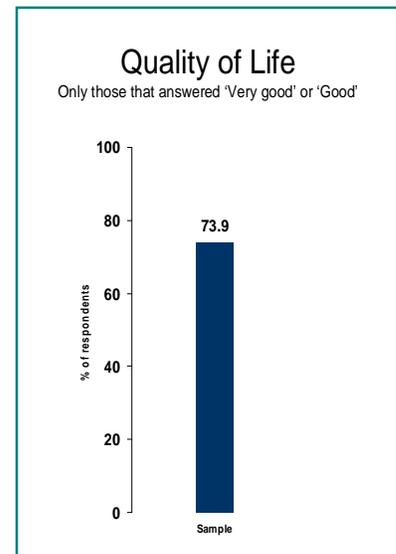
The survey findings are presented in three formats<sup>5</sup>:

- (i) The ‘percentage format’ in which the percent of the respondents falling under a category or junction of categories specified is represented by the height of the column associated to those respondents.
- (ii) The ‘index format’ in which percentages and scales are converted in a 0-100 scale (index) for better presentation and understanding.
- (iii) The ‘table format’ in which summaries of findings are presented in tables, and findings for each city in respective rows.

The following is an example of the presentation of a ‘percentage format’ of a question taken from the questionnaire:

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

The results for the above question are presented in graphic (see Fig. 1) The number on top of each column represents the percentage of only those respondents, who for the respective city 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 city ‘Sample’ evaluated their quality of life either ‘Very good’ or ‘Good’.



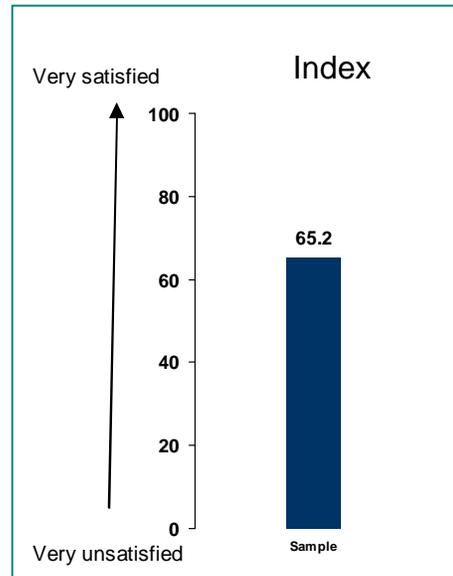
**Fig. 1**

<sup>5</sup> All the representation formats are accompanied by explanatory narrative.

**Fig. 2**

The previously introduced indices namely Public Services Residents Satisfaction Index (PSRSI) and Administration Services Residents Satisfaction Index (ASRSI) will still be important components of 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. On the blue column above Sample category it is written 65.2 (See Fig. 2). This means that on average residents of city '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 unsatisfied'. Another interpretation would be that residents of city 'Sample' on average are more satisfied than unsatisfied toward the services provided by their municipality.

### ***Caveat***

Being the survey conducted on a random sample and not an actual census of the population municipalities the percentage reported and their comparisons are accurate within a margin of error and confidence interval.<sup>6</sup> When reporting such comparisons carefulness should be shown between the terms 'significance' and 'statistically significance'. 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 800 respondents, while a difference in proportions may seem 'significant' it may not be 'statistically significant'<sup>7 8</sup>.

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 interchangeably.

As well, throughout this report, whenever verbs that show a trend such as increase, decrease, improve and worsen or comparative adjectives such as better or worse are used,

<sup>6</sup> More on margin of error and comparison between proportions is given in the Sampling Methodology section at the end of this report

<sup>7</sup> 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.

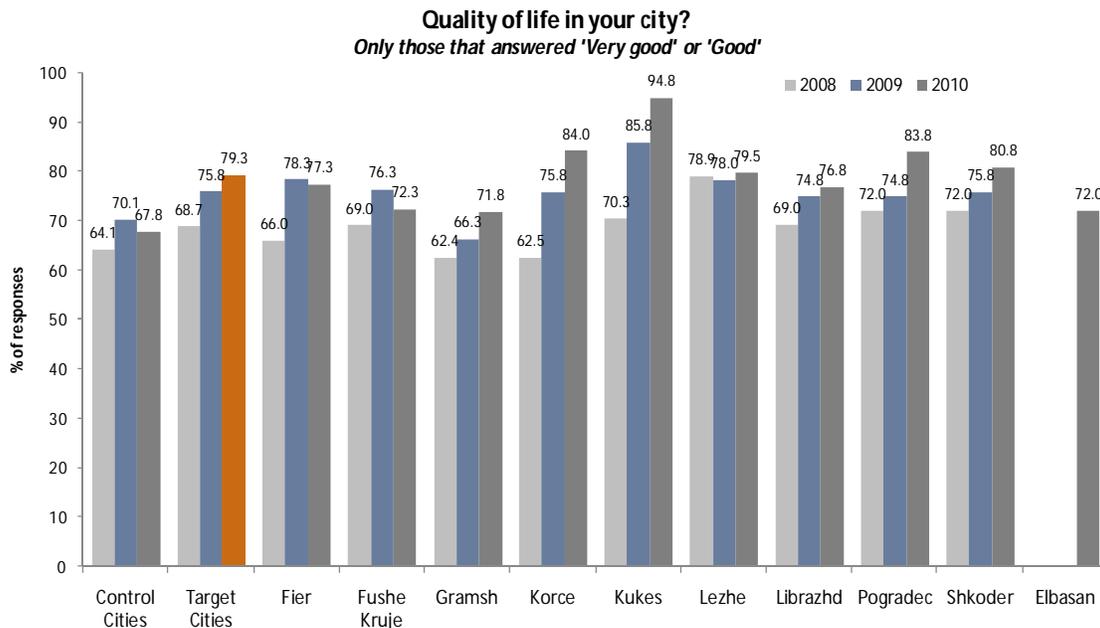
<sup>8</sup> Sample size is a key factor to 'statistically significance'. A greater sample size increases accuracy, making it possible for a comparison of proportions being 'statistically significant' while not 'significant'.

keep in mind that the respective statistical tests are conducted and the change is statistically significant, unless otherwise reported.

## 4 Quality of life

Citizens were asked to evaluate the quality of life in their city in a scale from 1 to 4 when 1 means ‘Very good’ and 4 means ‘Very bad’. The question meant to measure quality of life in their city in general as it was perceived by the respondents. 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 living<sup>9</sup>, economic situation in the city, problems city is facing, services provided by the municipality such as variety of cultural and recreational event the city offers, health care, infrastructure etc and other important factors.

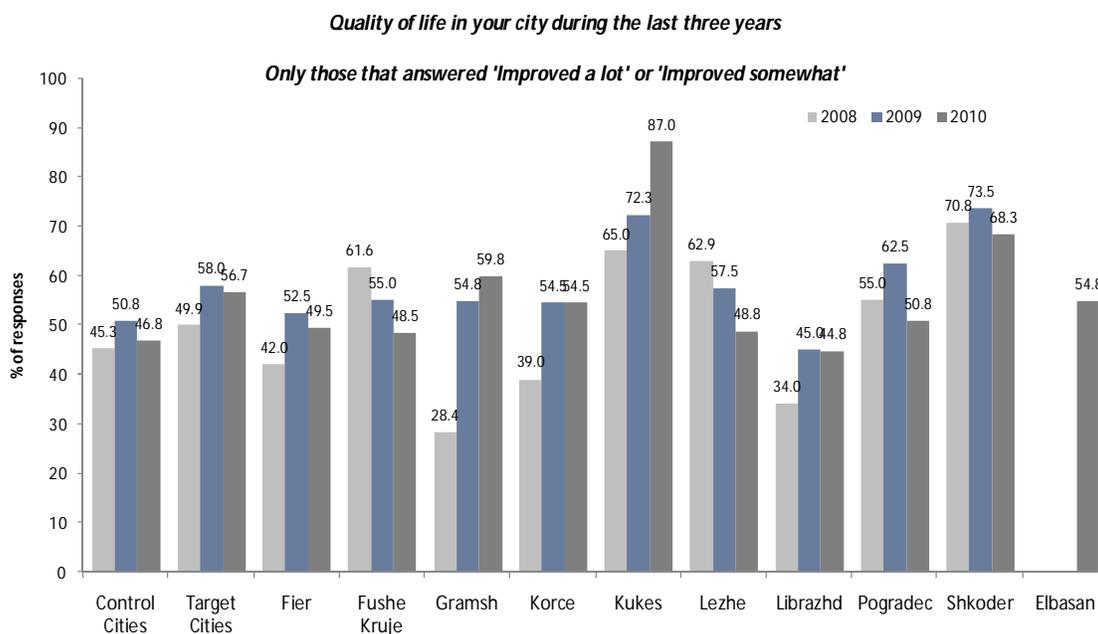
- Four in five residents in all Target Cities evaluate the quality of life as either ‘Very good’ or ‘Good’ (79.3%), significantly higher than when compared to Control municipalities (67.8%). While the overall ratings for Target Municipalities show a positive trend from 2008, the situation in Control Municipalities reflects a stable trend.
- Five out of ten control cities show a satisfaction rate on the quality of life higher than the overall average of the target cities. Municipalities of Fier (77.3%), Librazhd (76.8%), Fushe Kruje (72.3%), Elbasan (72%), and Gramsh (71.8%) score below the average of Target Cities.
- Cities trending significantly upward from 2008 are Kukës (+24.5%), Korçë (+21.5%), Pogradec (+11.8%), Gramsh (+8.4%)



**Fig. 3**

<sup>9</sup> 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.

- More than a half of the residents (56.7%) in Target Cities stated positively on the improvement of the quality of life during the last three years, higher than the residents of Control Municipalities (46,8%).
- Overall, Target Cities in 2010 show a similar situation with 2009 survey, but higher than in 2008. Municipalities of Kukës and Gramsh continue to show in 2010 an improving trend since 2008, (+22%) and (+31.5%) respectively. On the other side the municipalities that continue to show a deterioration from 2008 are the ones of Fushë Krujë and Lezhë with (-21.1%) and (-14.1%) respectively.



**Fig. 4**

## 5 Problems Cities Face

Respondents were asked to mention in a ranking order the three most important problems that their city is facing. Tab.1 presents the ranking of five problems mentioned as the most important concern in their city by the respective respondents. Instead Tab. 2 displays a comparison between the 2008, 2009 and 2010 survey of the three issues evaluated as the most pressing.

- *Lack of employment/Unemployment* is the most rated problem (1<sup>st</sup> mentioned) by all municipalities in all Target Cities and Control Cities in 2010. The lowest rate (still one-third of residents) is found in Fushë Krujë (29.3%) and reaching the highest value of in Gramsh (70.3%).  
While such a concern has remained stable over time, being still the 1<sup>st</sup> most mentioned issue, by all Target Cities' residents same as they did in 2008 and 2009, there's an increase on the proportion of the residents being concerned of '*Lack of employment/Unemployment*' in the municipalities of Fier (+13.5%) and Shkodër (+10%) and a decrease on such proportion for the residents of Fushë Krujë (-14.7%), Gramsh (-11%), Kukës (-8%).
- *Economic problems*, which are closely related with the issue of unemployment, and *Bad Infrastructure* in 2010, are switching between the 2<sup>nd</sup> and 3<sup>rd</sup> position as most expressed concerns by the respondents. A different situation is presented in Elbasan where the residents rates positioned in second place the *Environmental problems* (20.8%), found later in the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> position by other cities' residents.
- *Other concerns* mentioned are *Poverty /Social Services* found in Gramsh (4%), Korçë (9.8%), Kukës (7.3%), *Healthcare* in Shkodër (6%), *Corruption*, *Electricity* taking though a low percentage.

**Table 1. Most Important Problem Your City is Facing (1<sup>st</sup> mentioned)**

		Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
Control Cities	Problem	Unemployment	Bad infrastructure	Economic problems	Environmental problems	Poverty/Social services
	%	31.5%	25.0%	16.3%	11.1%	4.6%
Fier	Problem	Unemployment	Bad infrastructure	Economic problems	Environmental problems	Poverty/Social services
	%	40.0%	28.3%	9.8%	7.0%	5.0%
Fushe Kruje	Problem	Unemployment	Bad infrastructure	Environmental problems	Economic problems	Electricity
	%	29.3%	19.5%	13.5%	10.3%	6.8%
Gramsh	Problem	Unemployment	Economic problems	Bad infrastructure	Poverty/Social services	Corruption
	%	70.3%	10.8%	6.3%	4.0%	2.0%
Korce	Problem	Unemployment	Economic problems	Bad infrastructure	Poverty/Social services	Healthcare
	%	43.3%	15.3%	11.8%	9.8%	6.3%
Kukes	Problem	Unemployment	Economic problems	Bad infrastructure	Poverty/Social services	Healthcare
	%	38.5%	18.0%	13.5%	7.3%	5.5%
Lezha	Problem	Unemployment	Bad infrastructure	Economic problems	Environmental problems	Other
	%	38.3%	26.0%	11.5%	6.5%	4.8%
Librazhd	Problem	Unemployment	Economic problems	Bad infrastructure	Environmental problems	Poverty/Social services
	%	62.3%	11.8%	11.8%	5.5%	2.5%
Pogradec	Problem	Unemployment	Bad infrastructure	Economic problems	Poverty/Social services	Environmental problems
	%	53.0%	18.3%	7.8%	5.0%	4.8%
Shkoder	Problem	Unemployment	Economic problems	Environmental problems	Healthcare	Bad infrastructure
	%	53.8%	13.5%	6.3%	6.0%	5.8%
Elbasan	Problem	Unemployment	Environmental problems	Economic problems	Bad infrastructure	Poverty/Social services
	%	41.5%	20.8%	14.8%	12.3%	3.5%

**Table 2. Most Important Problem Your City is Facing (1<sup>st</sup> mentioned compared to 2008, 2009)**

		Rank 1			Rank 2			Rank 3		
		2008	2009	2010	2008	2009	2010	2008	2009	2010
Control Cities	Problem	Unemployment			Bad infrastructure	Economic problems	Bad infrastructure	Economic problems	Bad infrastructure	Economic problems
	%	31.8%	38.5%	31.5%	23.3%	21.8%	25.0%	17.9%	18.6%	16.3%
Fier	Problem	Unemployment			Bad infrastructure	Economic problems	Bad infrastructure	Economic problems	Bad infrastructure	Economic problems
	%	26.5%	40.3%	40.0%	17.8%	24.5%	28.3%	15.8%	11.8%	9.8%
Fushe Kruje	Problem	Unemployment			Bad infrastructure			Economic problems		Environmental problems
	%	44.0%	29.8%	29.3%	11.5%	16.0%	19.5%	11.2%	15.0%	13.5%
Gramsh	Problem	Unemployment			Economic problems			Poverty/Social services	Bad infrastructure	
	%	81.5%	72.3%	70.3%	5.3%	13.0%	10.8%	5.1%	5.0%	6.3%
Korce	Problem	Unemployment			Economic problems			Bad infrastructure		
	%	44.8%	46.8%	43.3%	17.8%	23.3%	15.3%	13.5%	9.8%	11.8%
Kukes	Problem	Unemployment			Economic problems			Education	Bad infrastructure	
	%	46.5%	39.0%	38.5%	24.0%	11.8%	18.0%	6.1%	11.8%	13.5%
Lezha	Problem	Unemployment			Bad infrastructure			Economic problems		
	%	35.8%	45.5%	38.3%	28.3%	24.8%	26.0%	13.8%	15.3%	11.5%
Librazhd	Problem	Unemployment			Economic problems			Bad infrastructure		
	%	62.5%	63.5%	62.3%	13.6%	13.5%	11.8%	9.3%	8.8%	11.8%
Pogradec	Problem	Unemployment			Economic problems		Bad infrastructure	Bad infrastructure		Economic problems
	%	45.8%	54.5%	53.0%	20.3%	22.8%	18.3%	8.5%	6.8%	7.8%
Shkoder	Problem	Unemployment			Economic problems			Bad infrastructure	Poverty/Social services	Environmental problems
	%	43.0%	40.8%	53.8%	21.0%	36.8%	13.5%	7.0%	4.5%	6.3%
Elbasan	Problem	Unemployment			Environmental problems			Economic problems		
	%			41.5%			20.8%			14.8%

## 6 Satisfaction with Services

Regarding the satisfaction of citizens with services provided by the local government, the results show different levels of satisfaction among the cities. Citizens in most of target cities are in general more satisfied with the services provided when compared to Control Cities.

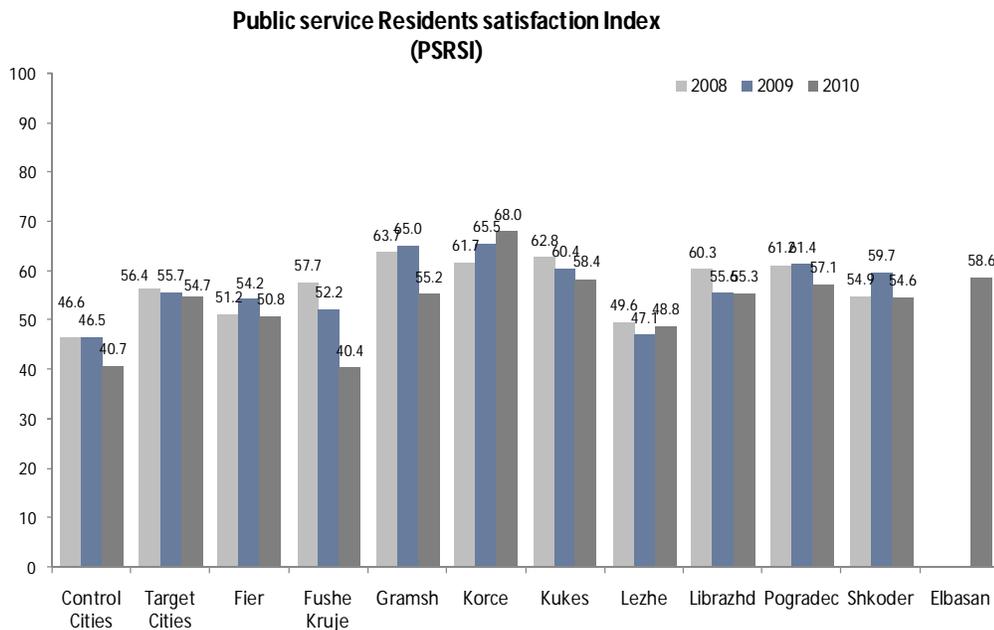
### 6.1 Public Service Residents Satisfaction Index (PSRSI)

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 ranging from 0 to 100. The conversion was achieved by first inverting the evaluation scale from 1 meaning to 'Very satisfied' and 4 meaning to 'Very unsatisfied' into 1 meaning 'Very unsatisfied' and 4 meaning 'Very satisfied'. 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 unsatisfied' and 100 means 'Very satisfied'. The average<sup>10</sup> of centi-evaluation for the six services was calculated for each resident, giving that specific resident city's satisfaction evaluation. The average of all respondents' city's satisfaction evaluation was calculating forming the PSRSI for that city.

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<sup>10</sup> All the six services evaluated were given the same weight when calculating the average.

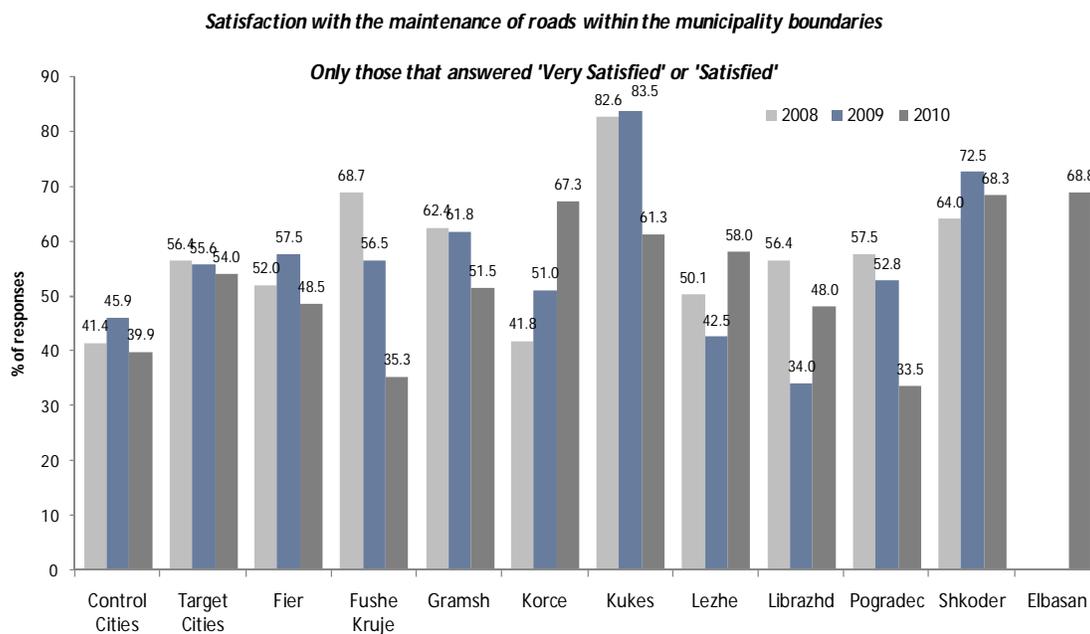
- Public Service Residents Satisfaction Index (PSRSI) between target and control municipalities in 2010 has a difference of 14 points. Overall Target Cities score a bigger satisfaction level on public services, 54.7 points, while the control municipalities score 40.7 points.
- For a third year in a row, municipalities of Fier and Lezhë continue to score a PSRSI below the midscale. In 2010, a continuous deterioration can be noticed in Fushë Krujë, which scores 17.3 points less than in 2008.
- Overall residents of Korçë seem to be the most satisfied with the public services offered from the municipality and trending upwards since 2008, by scoring 68 points. The least satisfied and trending downwards since 2008 are Fushë Krujë residents with 40.4 PSRSI points.



**Fig. 5**

## 6.2 Maintenance of Roads within Municipality Boundaries

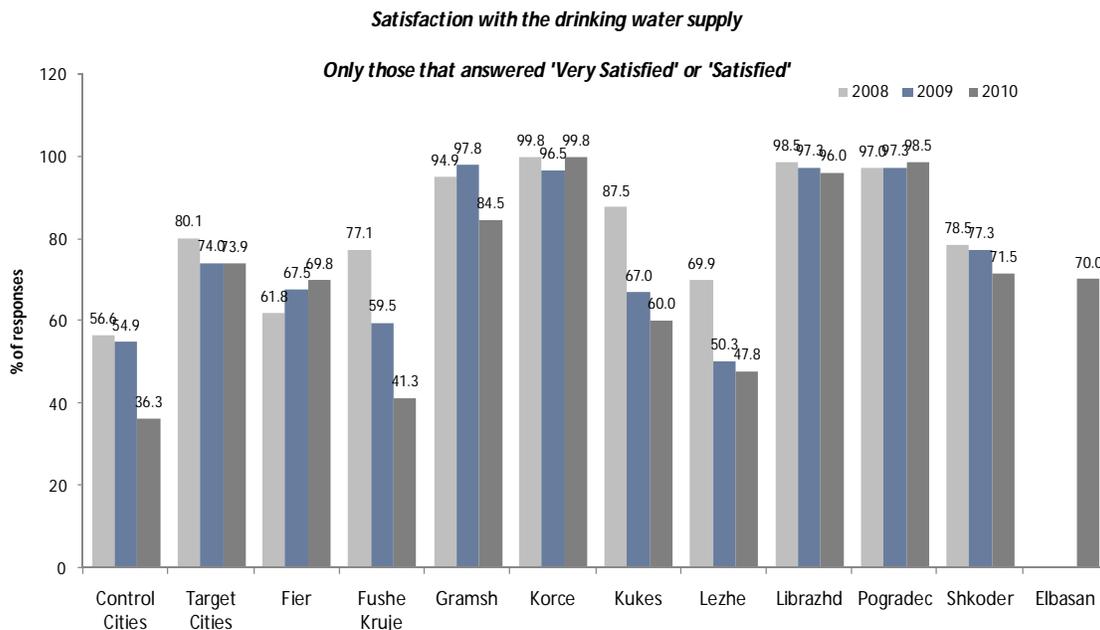
- In 2010 survey, respondents in Target Cities are generally more satisfied than the respondents in control municipalities with the maintenance of roads within the municipality borders, a difference of 14.1%.
- The level of satisfaction among respondents with the maintenance of roads within the municipality boundaries in 2010 ranges from the lowest 33.5% in Pogradec to the highest 68.8% in Elbasan.
- Residents of Elbasan (68.8%), Shkodër (68.3%) and Korçë (67.3%) in 2010 report highly above the average level of satisfaction in Target Cities, while highly below rates are found in Pogradec (33.5%) and Fier (48.5%).
- In 2010 survey, (-33.4%) of the respondents of Fushë Krujë, (-21.3%) of Kukës and (-24%) of Pogradec are not anymore satisfied as they were in previous years, a continuous decrease of satisfaction rates since 2008. Other cities residents like Gramsh and Fier show a decrease at about 10% from 2009. On the other hand there is an improving trend since 2008 for the municipality of Korçë (+25.5%).



**Fig. 6**

### 6.3 Drinking Water Supply

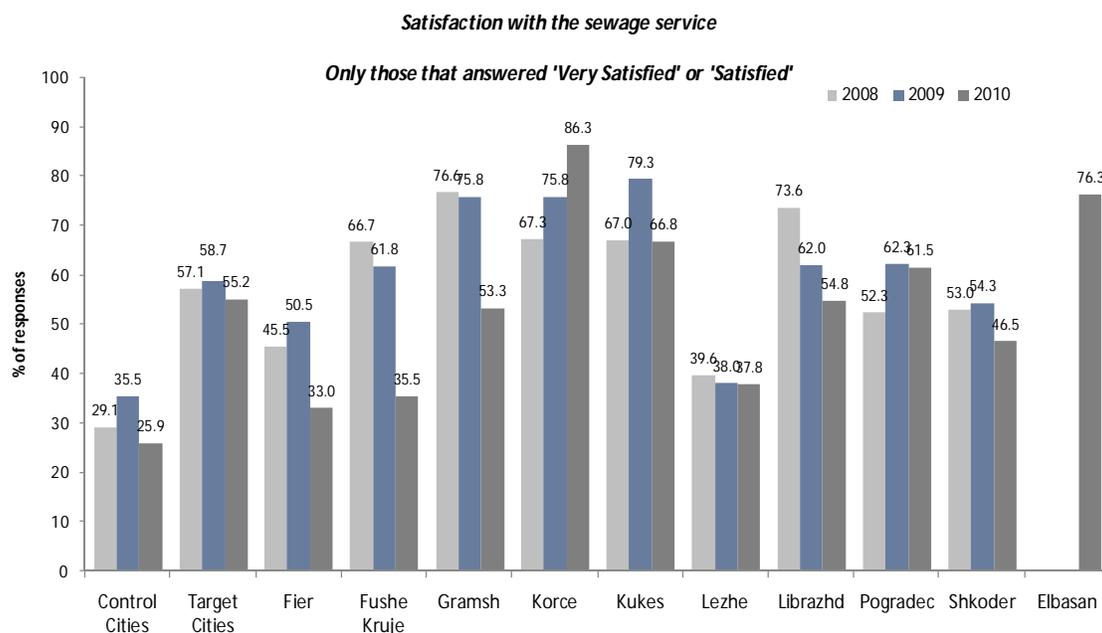
- Almost three-quarters of the residents in Target Cities (73.9%), are satisfied with the supply of drinking water, which is twice higher than the satisfaction rates of Control Municipalities (36.3%) residents, same as in 2009 (73.9%) but statistically significantly lower than in 2008 (80.1%).
- The more satisfied residents are located in Korçë (99.8%), Pogradec (98.5%) and Librazhd (96.5%) - municipalities noted to provide such a service constantly and efficiently since 2008.
- What actually appears to be performing not-so-efficiently are the municipalities of Fushë Krujë (41.3%) and Lezhë (47.8%) significantly lower than the average of Target Cities, but rated still more satisfactory than Control Municipalities. Together with the municipality of Kukës these are the municipalities which also show the biggest and a continuous deterioration from 2008.



**Fig. 7**

## 6.4 Sewage Service

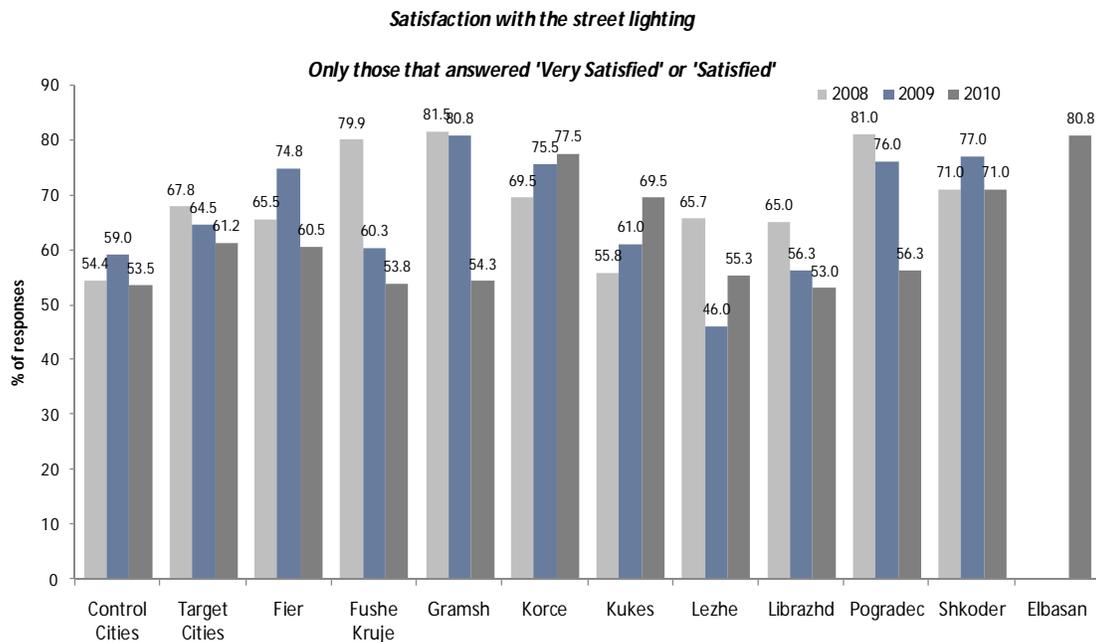
- In general only a half of the residents in Target Cities (55.2%), are satisfied with the *Sewage* service, which is twice higher than the satisfaction rates of Control Municipalities (25.9%) residents, reaching the peak in Korçë (86.3%) and Elbasan (76.3%).
- Such service is perceived as less satisfactory by residents of Fier, where only one-third of the sample stated to be satisfied with the Sewage service. Not distant from Fier ratings are Fushë Krujë (35.5%) and Lezhë (37.8%)
- Interesting to notice is the continuous downtrend to undergo from 2008 in the cities of Fushë Krujë, Gramsh and Librazhd.
- The situation is worse for Control Municipalities, where only 1 out of 4 is satisfied with this service, and the decline is noted when compared with rates of 2009, turning back to the rates of 2008.



**Fig. 8**

## 6.5 Street Lighting

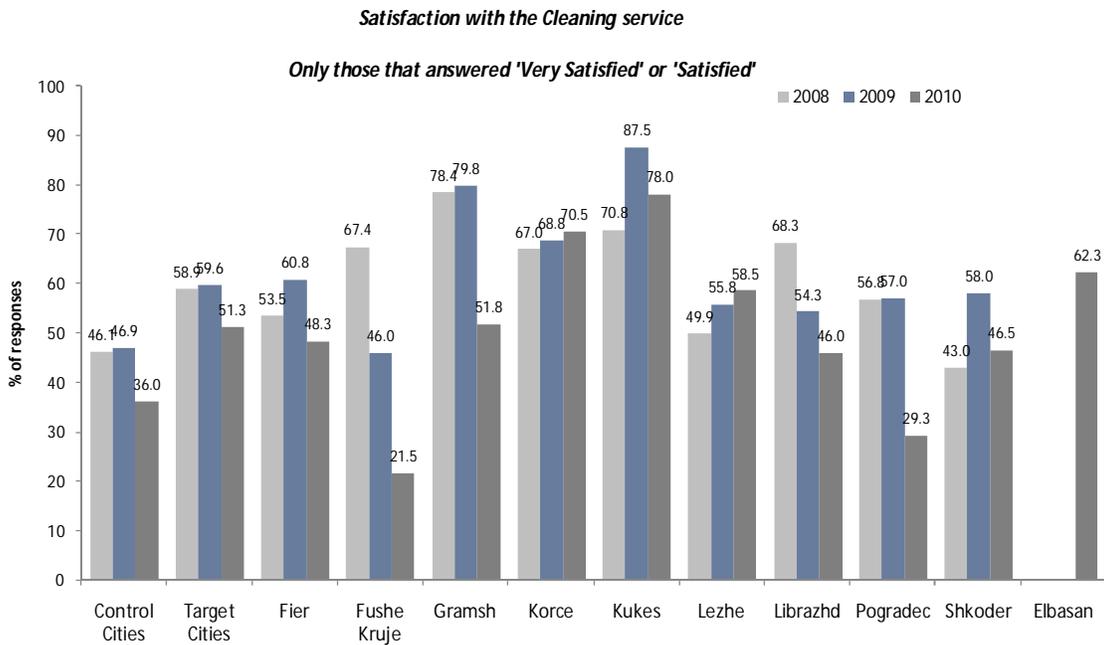
- The majority the residents in Target Cities (61.2%), are satisfied with the *Street Lighting* service, higher than the satisfaction rates of Control Municipalities (53.5%) residents.
- Elbasan reports the highest rates of satisfaction level with 80.8%, followed by Korçë (77.5%) and Shkodër (71%), while the lowest rates are found in Librazhd (53%) and Fushë Krujë (53.8%).
- Municipalities that show an improving trend since 2008 are the ones of Kukës (+13.7%) and Korçë (+8%). From the other side showing a downtrend are municipalities Gramsh (-27.2%), Fushë Krujë (-26.1%), Pogradec (-14.7%) and Librazhd (-12%).



**Fig. 9**

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

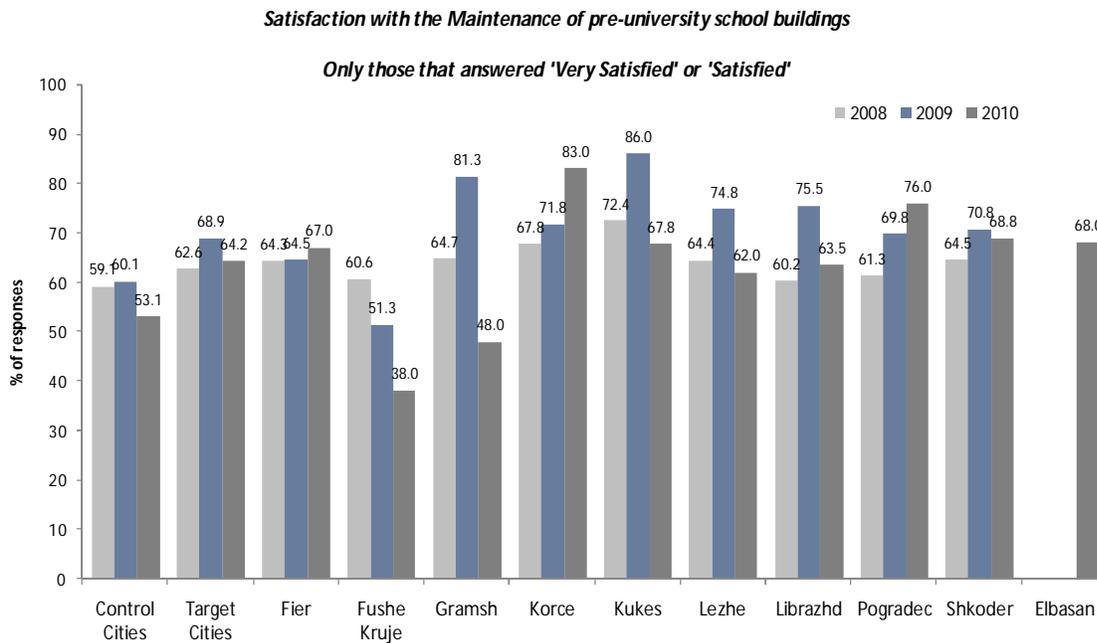
- Only a half of the residents in Target Cities (51.3%), are satisfied with the *Cleaning* service, still higher than the satisfaction rates of Control Municipalities (36%) residents, but significantly lower than when compared with the rates of 2009 and 2008 survey.
- The residents of Kukës continue to be the most satisfied with the Cleaning service with 78%, followed by Korçë and Elbasan's residents respectively (70.8%) and (62.3%). Fushë Krujë (21.5%) and Pogradec (29.3%) keep the lowest satisfactory ratings of residents, lower even than when compared to Control Cities.
- Based on the ratings, is perceived that the cleaning service has deteriorated over time for almost all the residents in all Target Cities. The highest decrease from 2008 is noted in the ratings coming from residents of Fushë Krujë (-45.9%), Gramsh (-28%) and Librazhd (-22.3%). Only municipality of Lezhë shows a slight continuous improvement through the years (+6.6%).



**Fig. 10**

## 6.7 Maintenance of Pre-University School Buildings

- On average the residents of all target cities (64.2%) are mostly satisfied with the *Maintenance of pre-university school buildings* service, higher though than ratings of Control Municipalities (53.1%) residents. Except Fushë Krujë (38%) and Gramsh (48%), where less than a half are satisfied, in all other municipalities, the ratings are satisfactory.
- The highest rates of satisfaction are reported in Korçë (83%) and Pogradec (76%), also the only ones having a positive trend from 2008.
- This year the proportion of satisfied residents with such service has been declining for almost all Target Cities especially noted in Fushë Krujë and Gramsh where in 2010 these municipalities score even lower than the 2008 ratings (-32%) and (-16.7%) respectively.



**Fig. 11**

## **7 Accountability and Responsiveness**

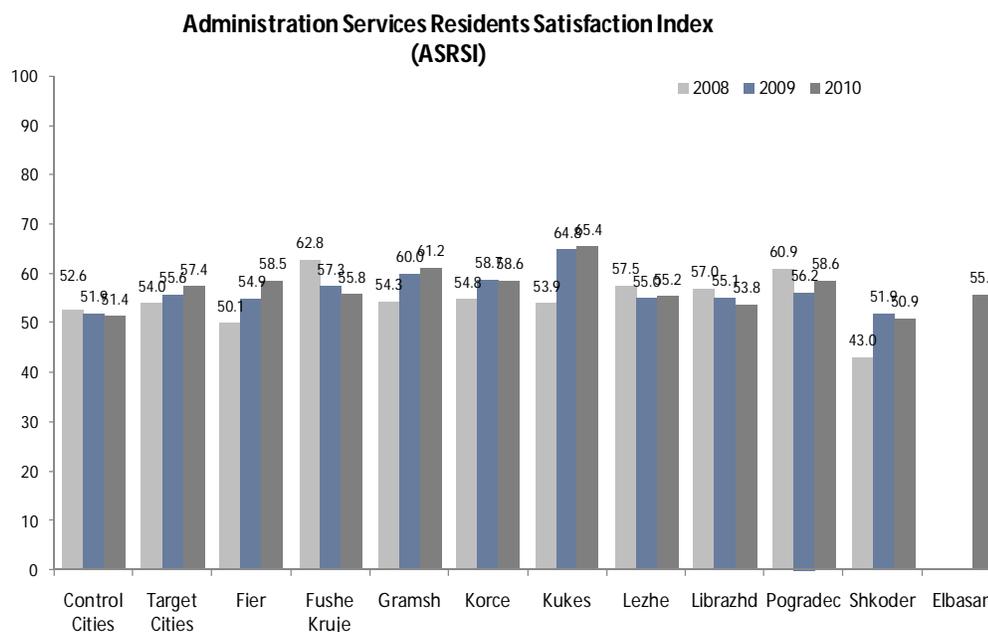
As part of the questionnaire, citizens were requested to evaluate issues closely related with local government administration and its operations. Thus, they gave their perceptions and evaluation for the quality of operations supplied to citizens by local bodies including the behavior of civil servants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

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

## 7.1 Administration Services Residents Satisfaction Index and overall evaluation

The evaluation of the respondents on the accountability of responsiveness issues such as (i) behavior of municipal employees (ii) performance of municipality in general responding to citizens, (iii) timely service (iv) office hours convenience (v) ability to solve problems/give answers to citizens (vi) easy to contact the right person (vii) clear and exact rules and procedures (viii) creating a feeling of trust and confidence 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 to ‘Very good’ and 4 meaning to ‘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 average<sup>11</sup> of centi-evaluation for the six services was calculated for each resident, giving that specific resident city’s satisfaction evaluation. The average of all respondents’ city’s satisfaction evaluation was calculating forming the ASRSI for that city.

- On average ASRSI for Target Cities (57.4 points) is slightly higher than the control municipalities (51.4 points). Residents of target and control municipalities evaluate the services provided by their municipality employees more as good than as bad.
- While on average the satisfactory rates for the performance of administration office in Target Cities for 2010 show no significant differences from the past, based on the ratings, the administration offices of municipalities of Fier, Gramsh, Kukës and Shkodër are scoring higher than in 2008. The opposite can be said for the municipality of Fushë Krujë in such regard

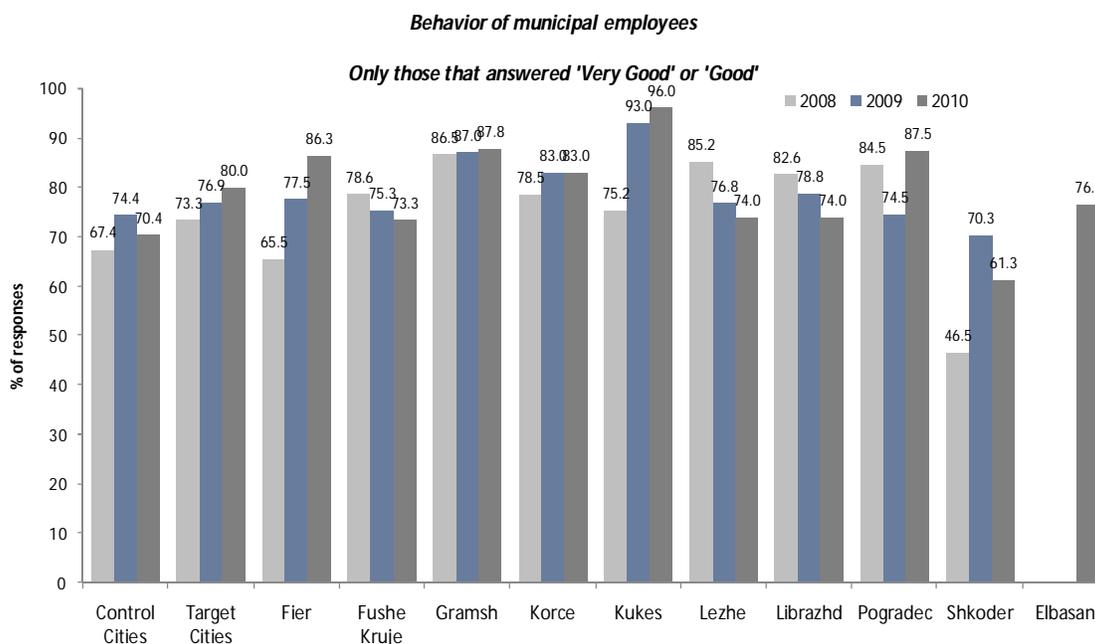


**Fig. 12**

<sup>11</sup> All the ten issues evaluated were given the same weight when calculating the average.

## 7.2 Behavior of Municipal Employees

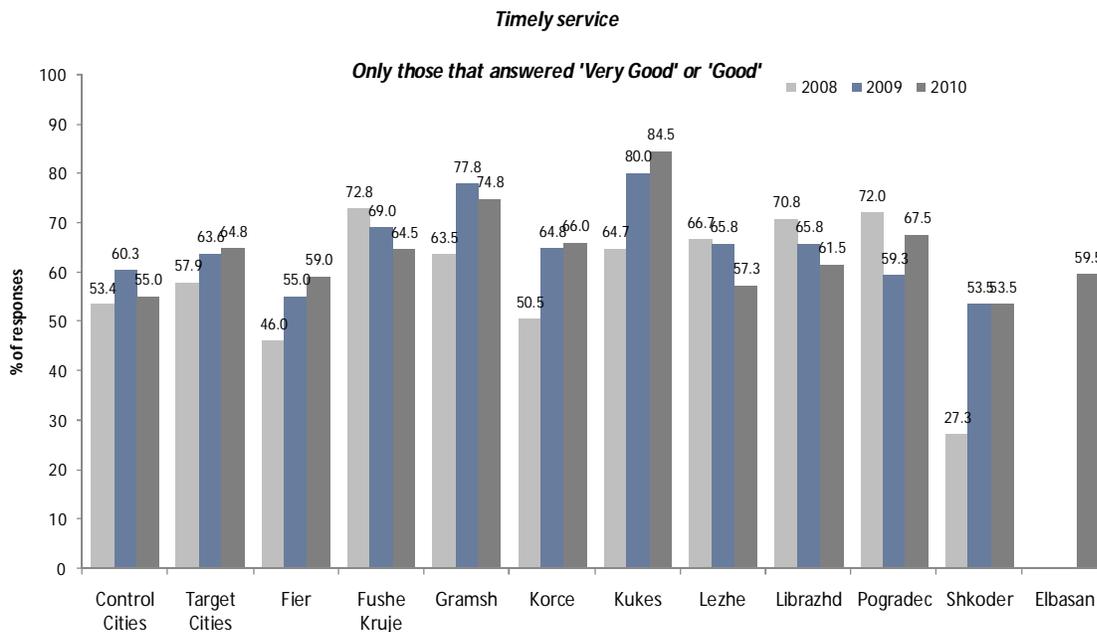
- In average 80% of residents in Target Municipalities are ‘Very Satisfied’ or ‘Satisfied’ with the *Behaviour of municipal employees*, rating higher than residents of Control Municipalities (70.4%) and showing a continuous slight but statistically significant improvement since 2008.
- Kukës residents continue to report the highest score with 96%, while the lowest score can be found in the Shkodër residents, 61.3%, scoring lower than Control Municipalities too.
- Municipalities that continue to show an improving trend on the behaviour of the municipal employees since 2008 are municipalities of Fier (+19.8%) and Kukës (+20.8%). The contrary can be said for municipalities of Fushë Krujë (-5.3%), Lezhë (-11.2%), and Librazhd (-8.6%).



**Fig. 13**

### 7.3 Timely Service

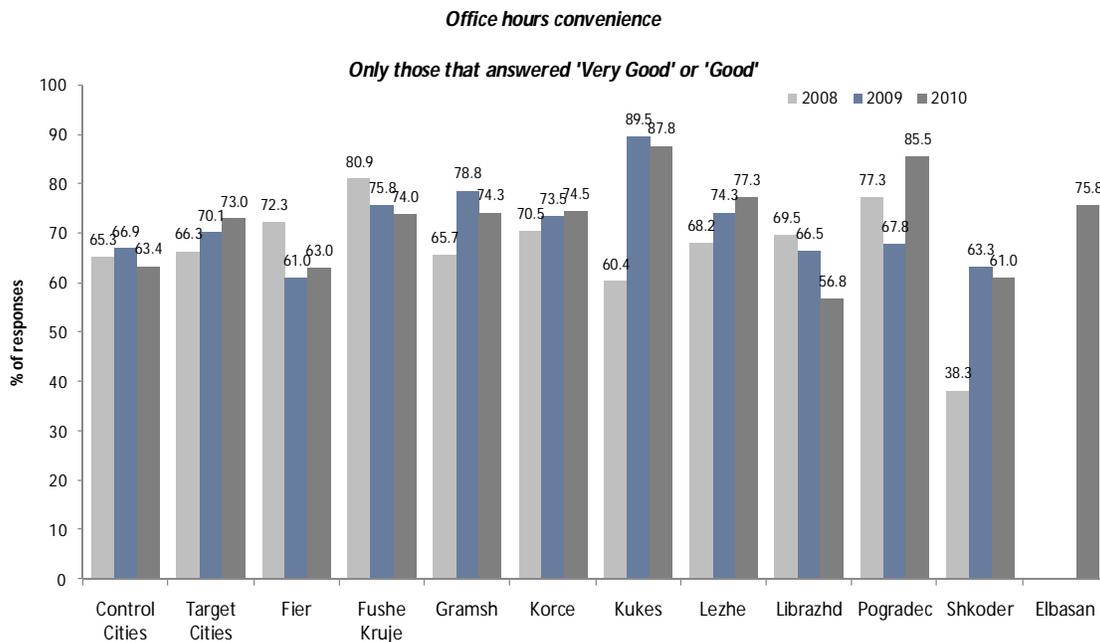
- As for *Timely service* performance the situation in 2010 appears to be similar with 2009 survey for Target Cities which are perceived to perform better than Control Municipalities (65.4% vs. 55%) and show an improving trend since 2008.
- The highest percentage of residents more satisfied is again found in Kukës (84.5%) and those less satisfied again found in Shkodër (53.5%).
- The satisfactory rates for *Timely service* have been increased from 2008 in 5 out of 9 municipalities (Fier, Gramsh, Korçë, Kukës and Shkodër), leaving out as less satisfied with the service the residents of Lezhë & Librazhd.



**Fig. 14**

#### 7.4 Office hour's convenience

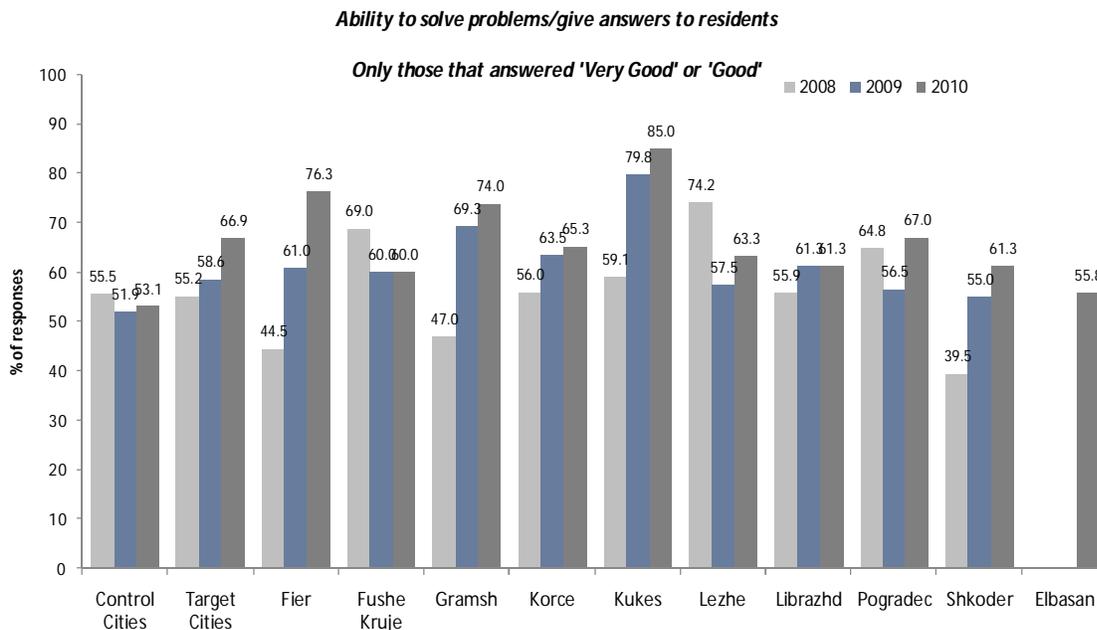
- Either for residents of Target Cities, or of Control Municipalities, the office hours are rated to be convenient by the majority of them respectively 73% and 63.4%, similar to rates given in 2009, but significantly higher than those of 2008 survey.
- Kukës and Pogradec residents report the highest score respectively 87.8 % and 85.5 %, much higher than the average score in Target Cities. Significantly lower than the average, rated the residents Fier (63%), Shkodër (61%) and Librazhd (56.8%).
- The trend from 2008 regarding the administration office hour's convenience is positive in 5 out of 9 municipalities especially in Kukës (+27.4%) and Shkodër (+22.7%) followed by Gramsh, Lezhë and Pogradec, while not finding convenient as they did in 2008 are the residents of Fier (-9.3%), Fushë Krujë (-6.9%) and Librazhd (-12.7%).



**Fig. 15**

## 7.5 Ability to solve problems/ give answers to citizens

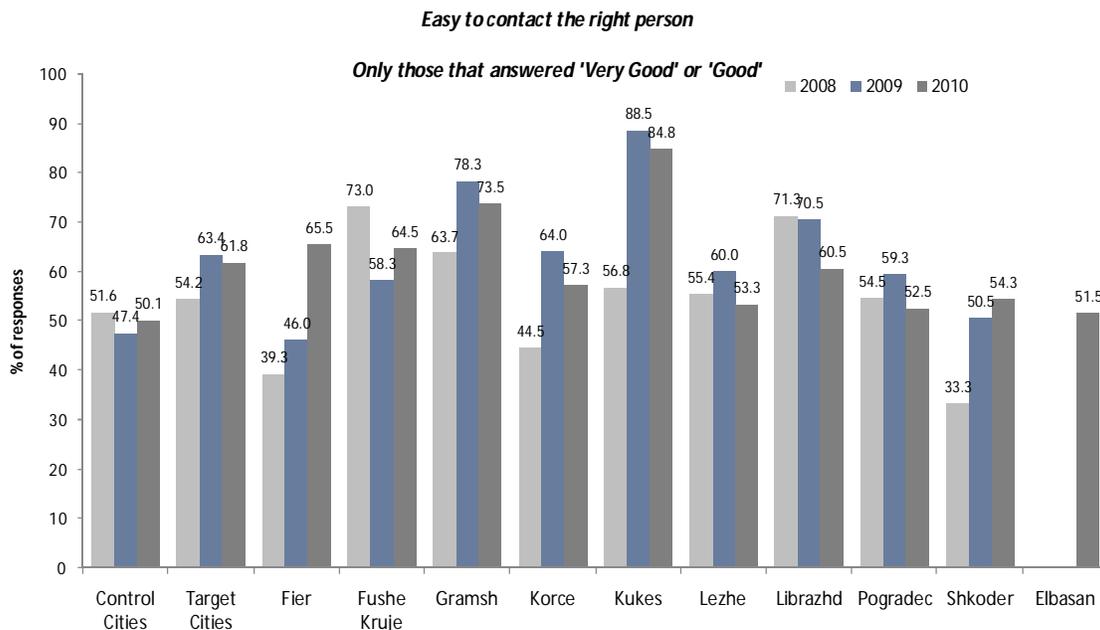
- About two-third of residents in Target Cities (66.9%), evaluated as ‘Very good’ or ‘Good’ the administration’s ability to solve problem, higher than those of Control Municipalities (53.1%).
- In 2010 there is an increase of 5.5% from 2009 and an increase of 11.7% from 2008 among the satisfied citizens in Target Cities. Such a raise from 2008 is reflected by an increase noted in almost all municipalities singularly. The exceptions here are found in the rates given by the residents of Fushë Kruje (-9%) and Lezhe (-10.9%)
- Kukës continues to have the highest satisfactory rate with 85.0 %, followed though significantly distant by Fier (76.3 %) and Gramsh (74%), both having an increase from 2008 survey of about 30%. Also Shkodër municipality shows a continuous increase since 2008 in the proportion of citizens who positively evaluate their local government staff ability to solve problems.
- Instead in Elbasan, residents are divided in two, where only 55.8% is satisfied with the administration’s capacity, taking so the last place in the overall rank.



**Fig. 16**

## 7.6 Easy to contact the right person

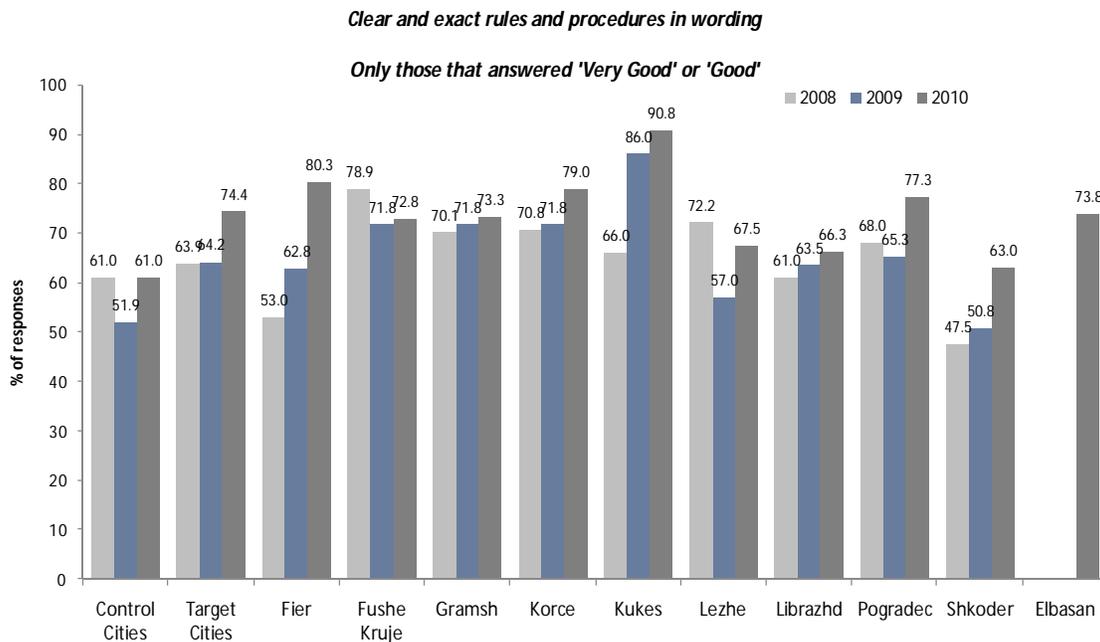
- 61.8% of residents in Target Cities stated to have been able to contact the right person, which is significantly higher than when compared to Control Cities (50.1%). For Target Cities such evaluation is similar to 2009 but statistically significantly higher than in 2008.
- Still the residents of Kukës (84.8%), appear to face less obstacles in contacting the right person, followed by Gramsh (73.5 %), Fier (65.5 %), and Fushë Krujë (64.5 %). The worst performance in this regard is rated from the residents of Elbasan (51.5 %), Pogradec (52.5 %) and Lezhë (53.3 %), significantly below the average in Target Cities.
- The trend from 2008 regarding the *easiness in contacting the right person* is significantly positive in half of the cities, with the highest increase found in Kukës and Fier, respectively by +28% and +26.2%, followed by Shkodër (+21%) and Korçë (+19.8%). Based on the ratings, contacting the right person is more complicated than in 2008, for the residents of Fushë Krujë and Librazhd.



**Fig. 17**

## 7.7 Clear and exact rules and procedures

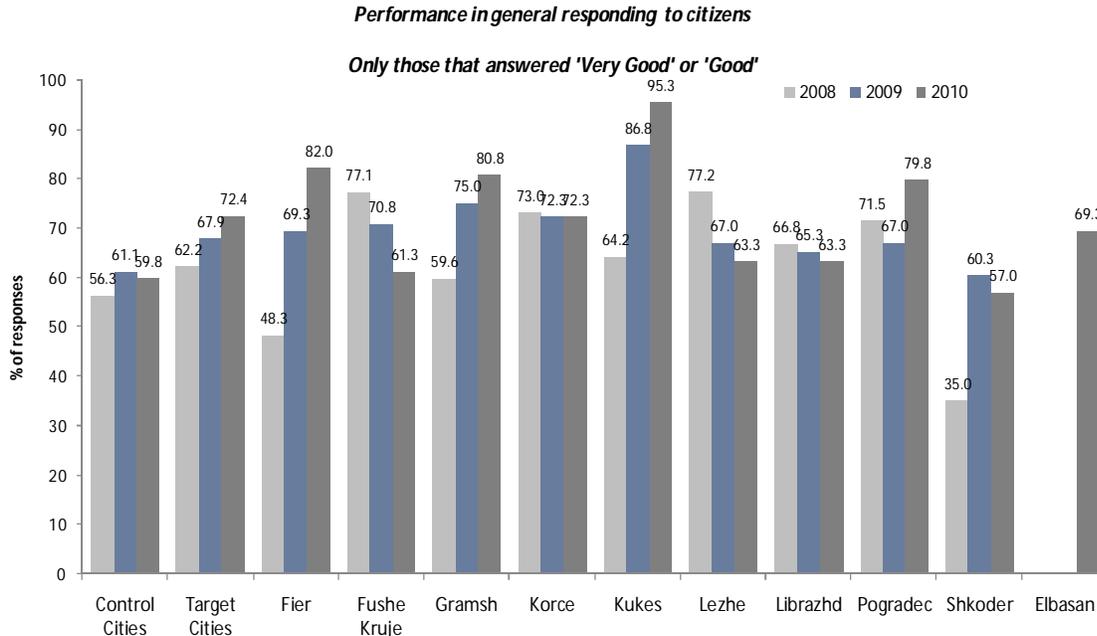
- Three-quarters of residents in Target Cities (74.4%) stated to have been able to understand clearly the procedures and rules worded by administration, a higher rate from Control Municipalities residents (61 %), and higher than past surveys.
- The residents of Kukës (90.8 %), also for 2010, keep the highest positive score in regard to the clarity of rules and procedures. Such rules and procedures are also comprehended by around 80% of residents in Fier and Korçë. Shkodër residents (63%) scored the lowest level of satisfaction.
- Since 2008, the municipalities that continue to show clear improvement in this regard are the municipalities of Fier (+27.3%), Kukës (+23.8%), Shkodër (+15.5%) and Pogradec, while for the rest there are no statistically significant differences from 2008 survey rates.



**Fig. 18**

## 7.8 Performance in general responding to citizens.

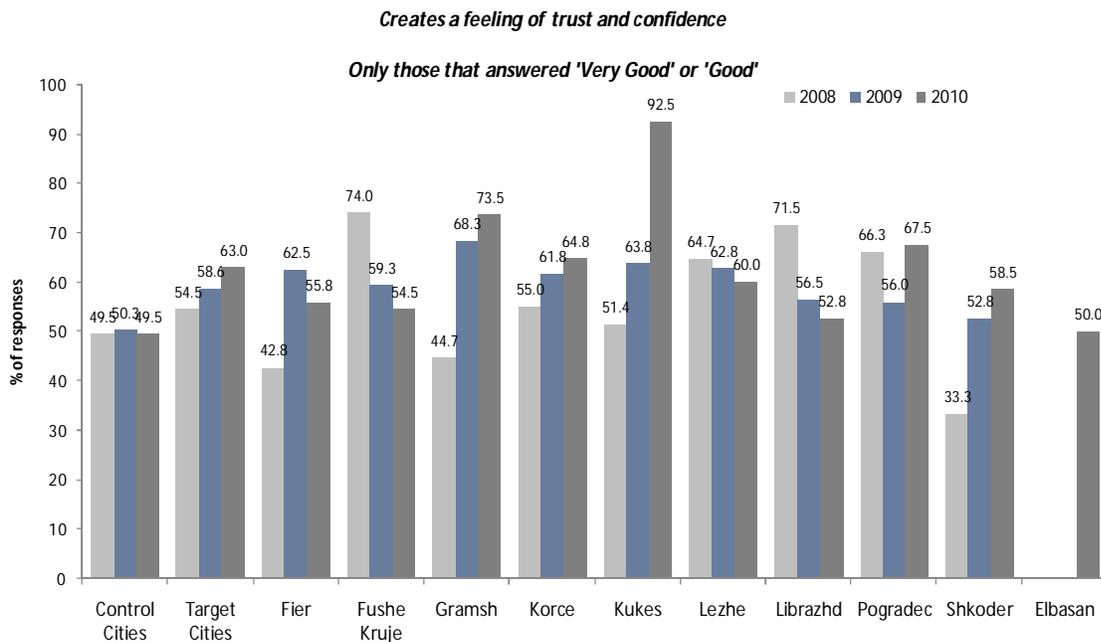
- 72.4% of residents in Target Cities evaluated as satisfactory the performance of the administration in general responding to the citizen. Significantly higher than rates on this regard to Control Municipalities (59.8 %) and higher than the previous years, 10% more than in 2008.
- The highest proportion of satisfied residents is located in Kukës, rated by 95.3 %, followed by Fier (82.0 %) and Gramsh (80.8 %). These municipalities in 2010 continue to show their improving trend since 2008.
- Shkodër residents (57%), appears to be less assisted than residents in other cities by the administration employees in 2010, but things have positively changed for 22% of the residents since 2008.
- Even in 2010 municipalities of Fushë Krujë and Lezhë continue to rate worse than in 2009 and 2008 surveys.



**Fig. 19**

## 7.9 Creates a feeling of trust and confidence

- On average, 63% of residents in Target Cities result to report confidence and trust while only half (49.5%) of residents in Control Municipalities report the same. Since 2008 an improvement of 8.5% can be noticed among Target Cities.
- Municipalities of Kukës, Gramsh, Shkodër and Korçë show the biggest improvement in creating a feeling of trust and confidence toward their citizens from 2009 and 2008. Kukës (+41.1%), Shkodër (+25.2%), Gramsh (+29.6%), Korçë (+9.8%).
- On the other hand municipalities that continued to show a continuous deterioration from 2008 are Fushë Krujë (-19.5%) and Librazhd (-18.7%)



**Fig. 20**

## 7.10 Local government welcomes citizens' participation in municipal decision making

- Only a half of the residents in Target Cities (49.7%), feel welcomed to participation in municipal decision making, almost twice higher than Control Municipalities (26.9%) residents rates, but higher when compared with the rates of 2008 and 2009 survey.
- The positive rates exceeding the value of 50% are found in residents of Kukës (68.3 %) – still the highest score, Korçë (66%), Elbasan (60.3 %) and Pogradec (52%). Municipalities of Lezhë (36.3%), Librazhd (36.3%) and Shkodër (38%) score significantly lower than the average score of Target Cities.
- The significant increase on the average score for Target Cities from 2008 survey, is influenced mostly by the increased score in almost all the municipalities, especially more welcomed than in 2008 feel the residents of Korçë (+26%), Kukës (+21.8%) and Gramsh (+21.4%) followed by those of Fier, Pogradec and Shkodër.

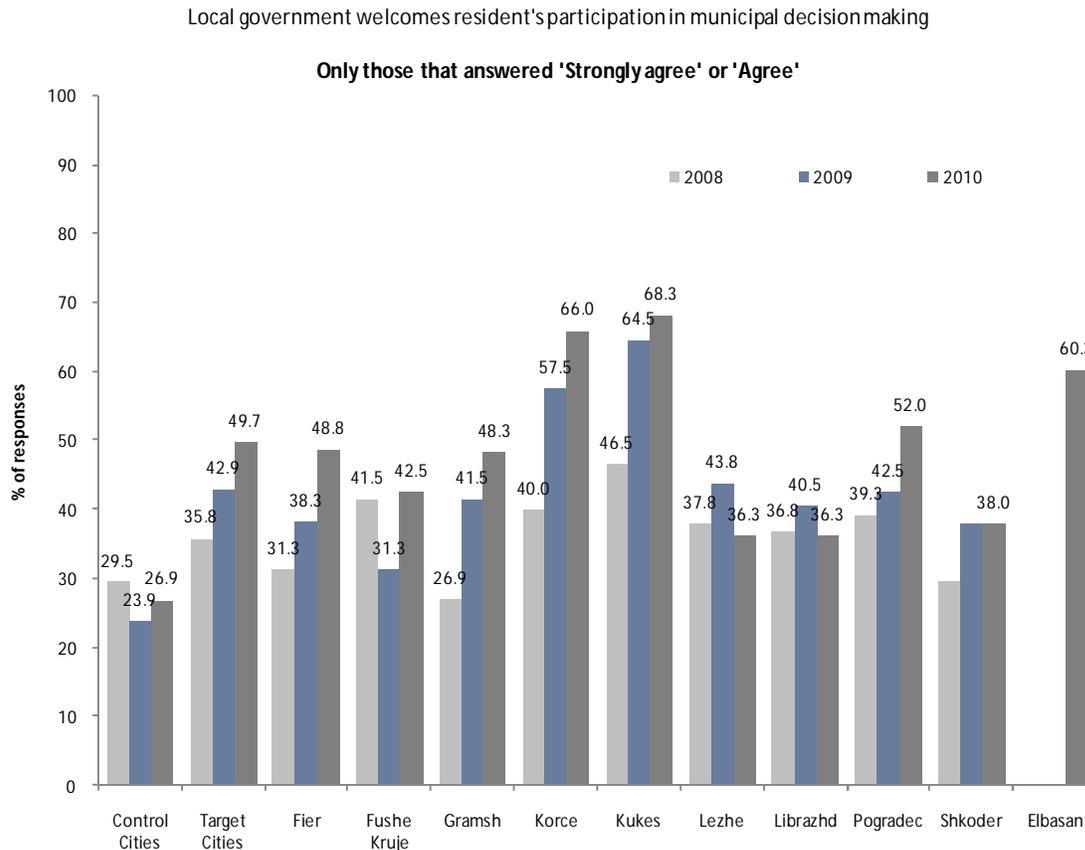
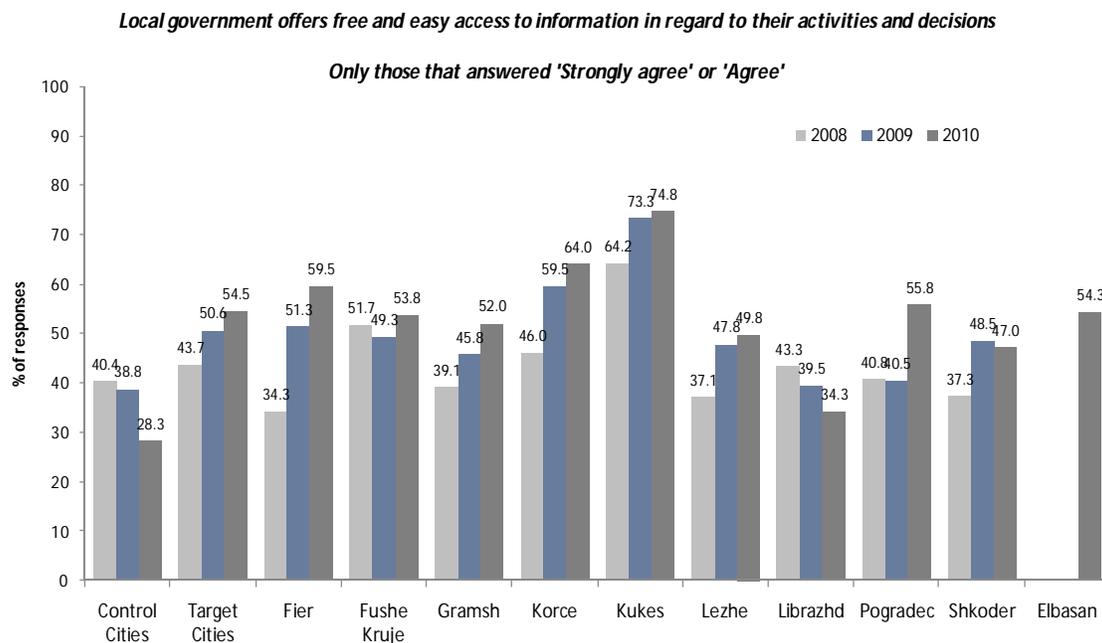


Fig. 21

### 7.11 Local government offers free and easy access to information in regard to their activities and decisions

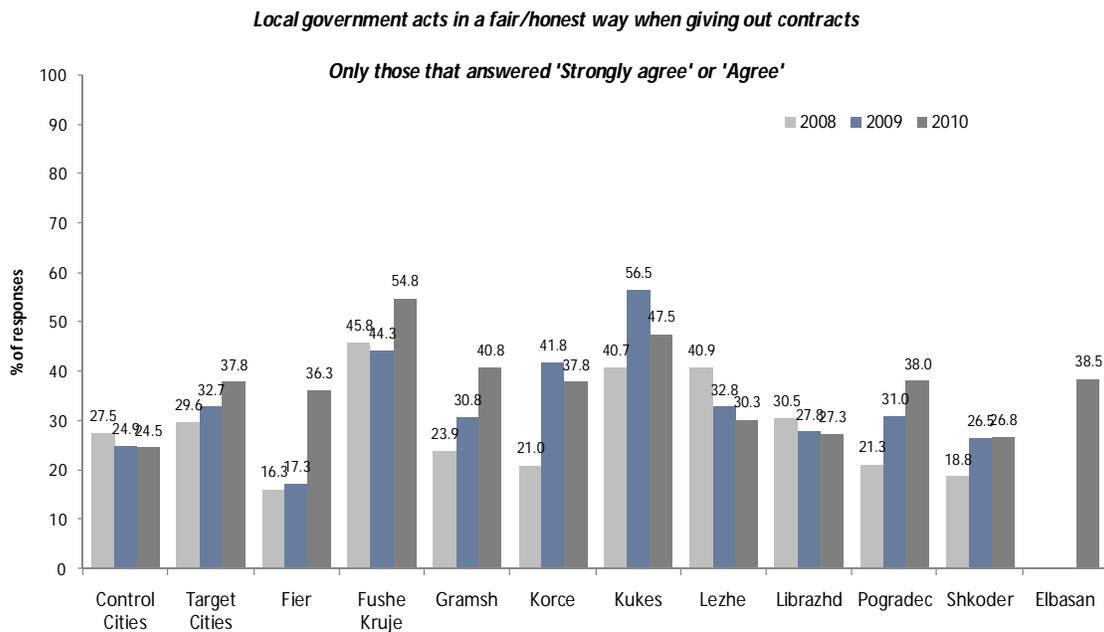
- Transparency /openness of the Local Government on average is perceived satisfactory by only a half of the residents in Target Cities (54.5 %), almost twice higher than Control Municipalities (28.3%) where only one-in-four think that their municipality is honest. There is noted an increase for Target Cities of more 10% in the satisfied proportion from 2008, while for Control Municipalities, situation is worse when compared with the past surveys.
- The municipalities of Kukës and Korçë appears to be the most open towards their residents with a satisfactory rate of 74.8 % and 64% respectively, highly above the average of target cities.
- The worst municipality perceived in this regard, is Librazhd (34.3%) with one-third of residents, still higher though when compared with rates of 2010 in Control Cities, but lower than in 2008.
- Significant increased rates are reported in almost all cities. Municipalities that show the biggest improvement since 2008 are Fier (+25.2%), Korçë (+18%), Gramsh (+12.9%), Lezhë (+12.7%) and Kukës (+10.4%).



**Fig. 22**

## 7.12 Local government acts in a fair/ honest way when giving out contracts

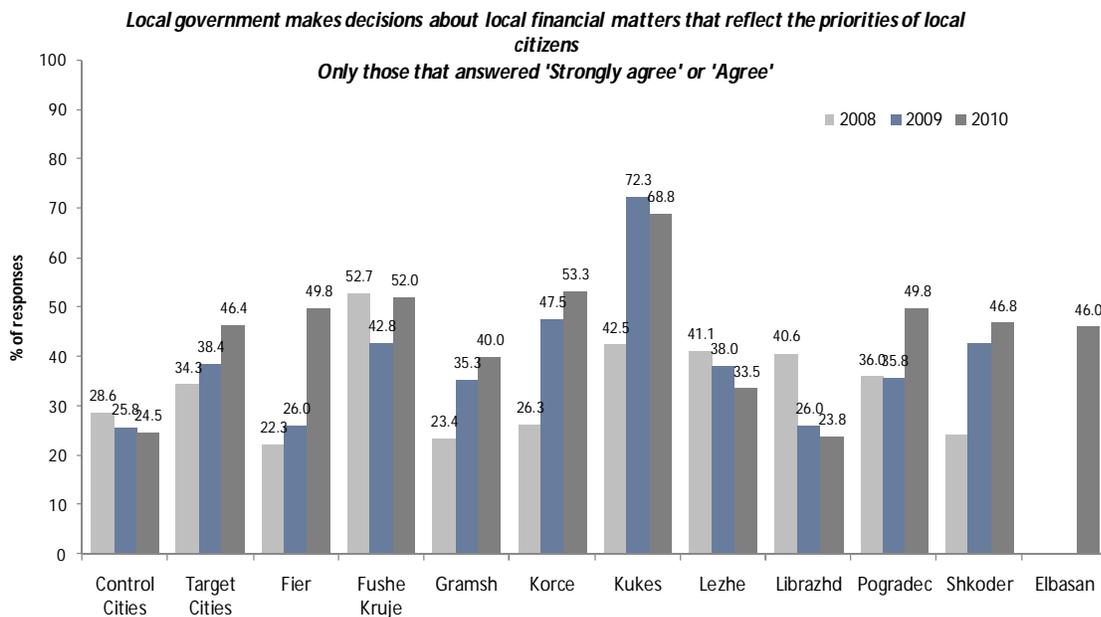
- In most Target Cities less than half of residents agree that local government acts in an honest way when giving out contracts.
- On average only 37.8% of the residents of target cities agree that local government acts in an honest way when giving out contracts, much higher than when compared to Control Cities. Although such a belief has remained low over time for Target Cities there is an improving trend since 2008 found in all the Target Cities, except Lezhë.
- Only in Fushë Krujë (54.8 %) the positive proportion reached the half of the population, increased significantly from 2009 with about 10% points.



**Fig. 23**

### 7.13 Local government makes decisions about local financial matters that reflect the priorities of local citizens

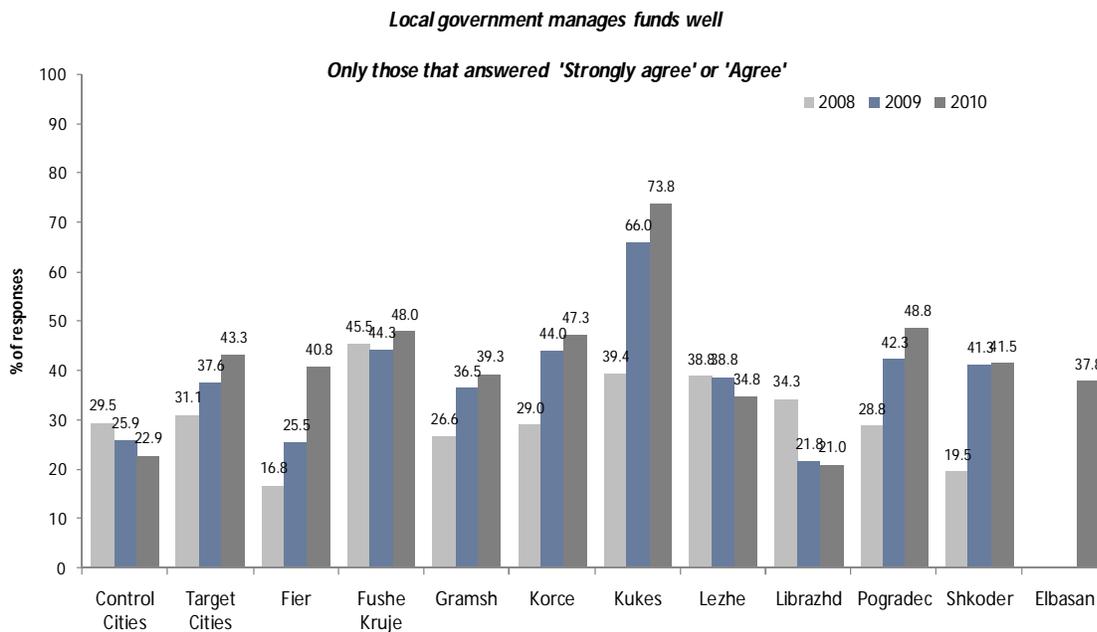
- In 2010, on average only 46.4% of the residents in target cities agree that local government decisions reflect its citizen’s priorities. An increase of (+5.7%) from 2009 and (+12.1%) from 2008.
- Slightly lower than in 2009, but statistically significantly higher than in 2008, Kukës continue to precede the other municipalities where 68.8 % of the residents agree on the above statement. Municipalities of Fier, Korçë, Shkodër and Gramsh continuously from 2008 show an increase in the percentage of their citizens that agree that their *local government makes decisions that reflect citizen’s priorities*. Municipality doing worse appears to be Librazhd (23.8 %) with a decrease of 16.8% from 2008.



**Fig. 24**

## 7.14 Local government manages funds well

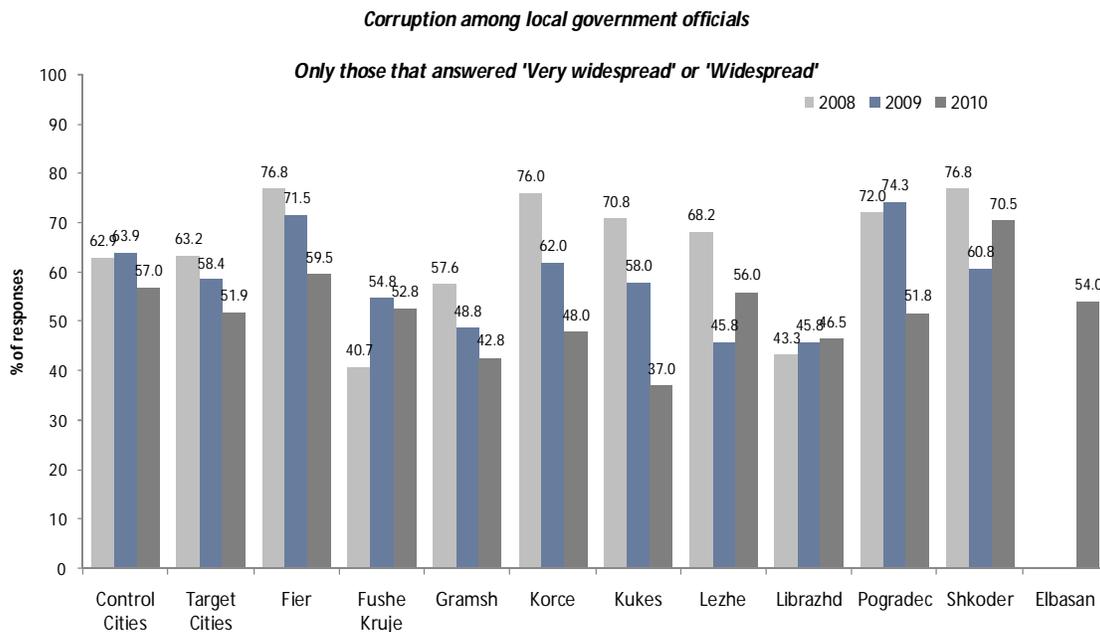
- Even though the satisfaction level for fund management by the local government, for the residents of all Target Cities (43.3 %) is twice higher than that of Control Municipalities (22.9 %), does not represent a positive situation. A different situation is present in Kukës where 73.8 % of the residents declared that local government manages funds well.
- In the eyes of its residents, municipality of Librazhd (21.3%) appears to manage poorer its own funds.
- There can be noticed two opposite trends in target and control municipalities since 2008. Although, less than half of Target Cities residents have a negative opinion on funds management by local government there is a statistically significant improvement from year to year since 2008 (+12.1%). The opposite is true for control municipalities where there is a decrease of (-6.6%) in the proportion of the residents since 2008 thinking the same.



**Fig. 25**

## 7.15 Corruption

- On average, half of the residents in Target Cities (51.9%) believe that the corruption is widespread. Higher, but not too distant in percentage points is also the situation in Control Municipalities (57%). It's good to notice, that in both Control and Target Cities, when compared with past surveys, the resident's perception for corruption have been slightly down trending since 2008.
- The municipality where corruption is perceived to be most widespread is Shkodër with a majority of 70.5 %, while Kukës keeps the lowest rate on such belief.
- In 6 out of 10 municipalities the number of people perceiving a widespread corruption has been shrinking from 2008, most notably in Kukës and Pogradec followed by Korçë and Fier.



**Fig. 26**

## 8 Priorities for Improvement

Respondents were served 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.

As in 2009 survey in the cities of Gramsh, Korçë, Librazhd and Pogradec, citizens think that improvement of city's roads should be eligible for the limited funds in the scenario presented to them. Maintenance of roads within cities boundaries is the service – among six evaluated - least satisfactory according to citizens of these four cities (For a comparison see Figures 6).

Improvement of water supply was evaluated as the service with the most important priority by citizens of Kukës and Lezhë. These are the two out of three cities with the lowest satisfaction rate on the service of water supply (See Fig. 6).

Drainage systems was evaluated as the most important service to be improved by municipality by Shkodër and Fier as the service eligible for the limited funds in the scenario presented to them.

For the residents of Fushë Krujë and Elbasan cleanliness service is seen as the most important service to be improved by the municipality. (For a comparison see Fig. 10).

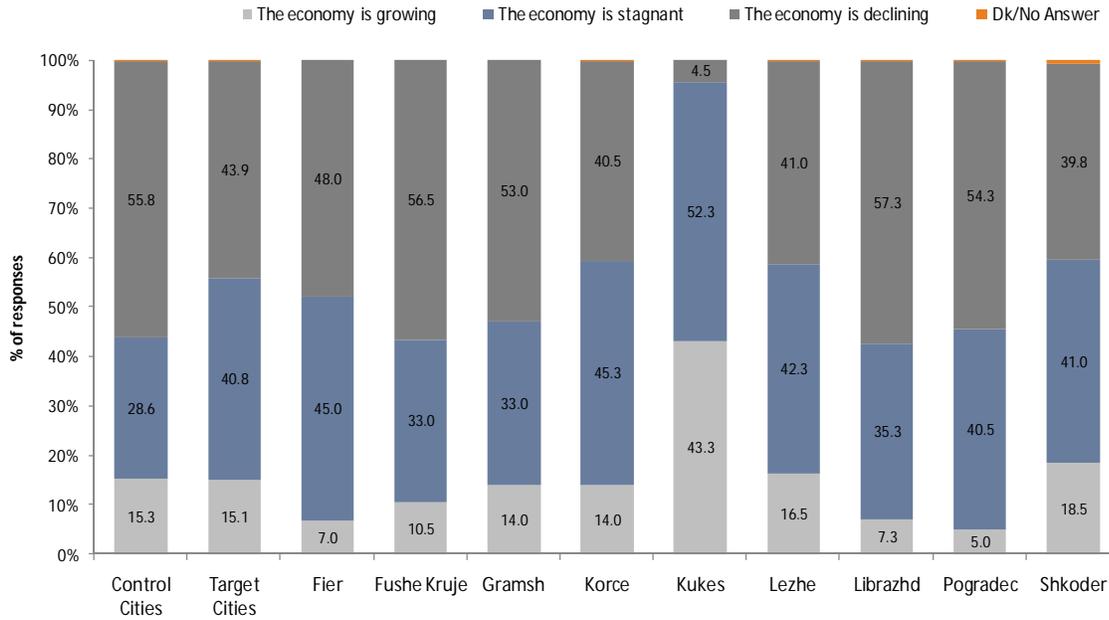
Overall, in both Target and Control Cities, citizens continue to mention as 'most important priority for improvement' issues related to infrastructure such as water supply, city's roads and drainage.

**Table.3 Most Important Priority**

Most important priority	Rank 1			Rank 2			Rank 3			
	2008	2009	2010	2008	2009	2010	2008	2009	2010	
Control Cities	Service	Drainage	Water Supply	Water Supply	Water Supply	Drainage	Drainage	Cleanliness	Municipal Roads	Cleanliness
	% of resp.	25.0%	22.6%	29.9%	17.0%	20.9%	19.4%	16.4%	11.5%	16.9%
Fier	Service	Drainage	Water Supply	Drainage	Water Supply	Cleanliness	Water Supply	Municipal Roads	Municipal Roads	Municipal Roads
	% of resp.	17.5%	19.0%	18.8%	14.0%	16.0%	17.8%	13.8%	14.0%	15.0%
Fushe Kruje	Service	Solid waste	Cleanliness	Cleanliness	Solid waste	Water Supply	Municipal Roads	Drainage	Green Areas	Solid waste
	% of resp.	15.3%	20.8%	19.5%	15.3%	20.3%	16.8%	10.2%	11.5%	16.3%
Gramsh	Service	Municipal Roads	Municipal Roads	Municipal Roads	Water Supply	Other	Drainage	Green Areas	Drainage	Other
	% of resp.	21.6%	23.8%	14.8%	12.7%	13.3%	12.0%	9.6%	11.8%	11.5%
Korce	Service	Municipal Roads	Municipal Roads	Municipal Roads	Green Areas	Cleanliness	Solid waste	Cleanliness	Solid waste	Cleanliness
	% of resp.	23.5%	24.0%	24.0%	17.3%	17.8%	15.3%	11.3%	11.3%	14.3%
Kukes	Service	Green Areas	Water Supply	Water Supply	Cleanliness	Other	Municipal Roads	Street Lighting	Street Lighting	School Buildings
	% of resp.	13.0%	23.0%	33.0%	12.5%	14.0%	12.3%	9.7%	12.0%	12.3%
Lezha	Service	Drainage	Water Supply	Water Supply	Municipal Roads	Municipal Roads	Drainage	Water Supply	Drainage	Municipal Roads
	% of resp.	20.1%	27.3%	26.8%	17.3%	25.5%	18.3%	16.0%	19.3%	14.0%
Librazhd	Service	Municipal Roads	Municipal Roads	Municipal Roads	Street Lighting	Cleanliness	Cleanliness	Drainage	Drainage	Solid waste
	% of resp.	25.9%	38.0%	26.0%	20.9%	17.3%	11.3%	11.1%	7.5%	10.5%
Pogradec	Service	Municipal Roads	Municipal Roads	Municipal Roads	Cleanliness	Cleanliness	Solid waste	Drainage	Solid waste	Other
	% of resp.	22.8%	19.3%	28.5%	22.5%	15.5%	17.5%	15.0%	14.5%	16.0%
Shkoder	Service	Green Areas	Drainage	Drainage	Cleanliness	Cleanliness	Cleanliness	Drainage	Green Areas	Solid waste
	% of resp.	15.0%	16.3%	22.5%	13.5%	14.8%	14.5%	13.0%	10.8%	11.8%
Elbasan	Service			Cleanliness			Solid waste			Water Supply
	% of resp.			23.0%			20.0%			14.0%

## 9 Local Economic Growth Issues

Most of respondents in both Target and Control Municipalities perceive the economy in their municipality gloomily. When asked about their opinion on the economy more than half of them thought of the economy in as either ‘stagnant’ or ‘declining’.

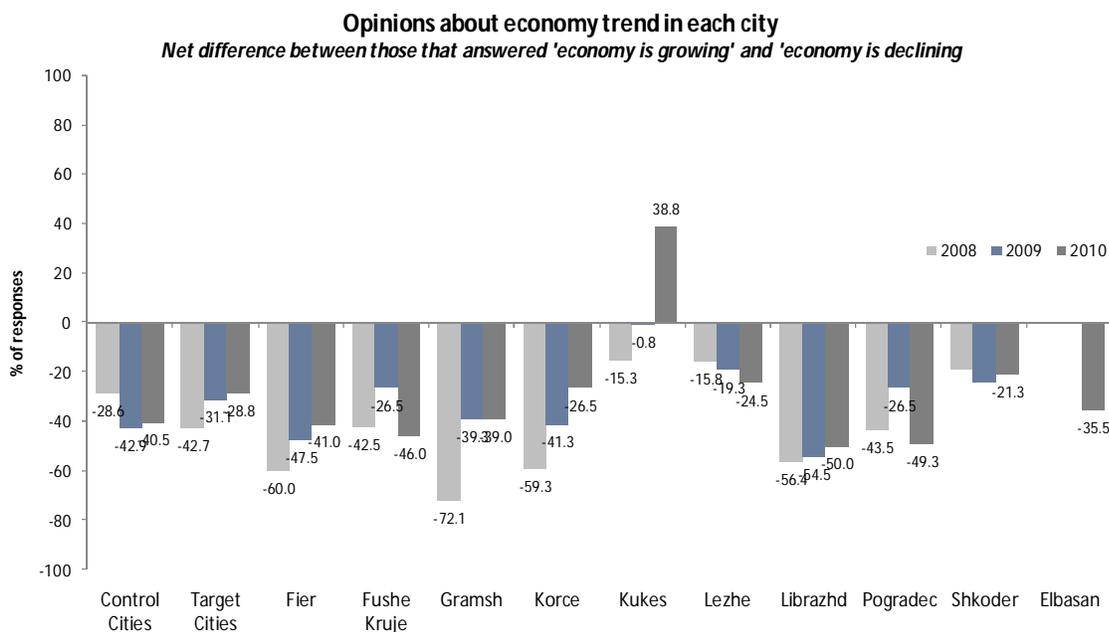


**Fig. 27**

Fig. 28 shows the net difference between those that answered ‘economy is growing’ and ‘economy is declining’ and excluding those that answered “economy is stagnant”. The only municipality that has a positive outcome in the percentage of respondents that think that the economy is growing is Kukës (+38.8%).

In all other Target and Control Municipalities there are more residents that think that the economy is declining than those who think that the economy is improving.

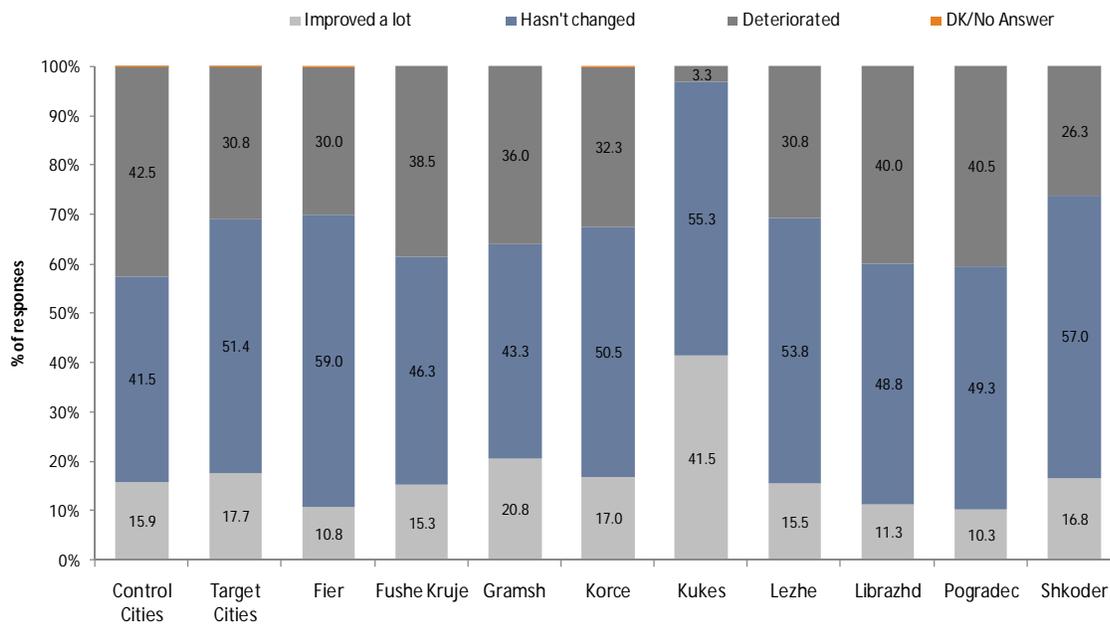
Municipalities that show a “positive” significant change since 2008 in the percentage of the residents thinking that economy is declining are the municipalities of Korçë and Fier with a respective decline of 22.7% and 19%. Anyway, even in these municipalities the majority of residents have an overall negative picture for the actual status of the economy. Municipality of Lezhë goes in the opposite direction where there is a constant increase in the proportion of residents who think that the economy is declining since 2008, (8.7%).



**Fig. 28**

When asked about their standard of living in the *last twelve months* the majority of respondents in both Target and Control Cities think that it has either ‘Stayed the same’ or ‘Worsened’. (Fig 29)

Considerably higher than in other cities, 41.5% of Kukës residents think that their standard of living *has improved* during the last twelve months. The percentage of the residents thinking the same in the other Target Cities is very low and varies from the lowest 10.8% in Fier up to the highest 20.8% in Gramsh.



**Fig. 29**

When measuring the ‘net difference’ between those that answered that the standard of living has “improved a lot” and those that answered “worsened” it can be seen that only the city of Kukës has a positive percentage of those who think that their standard of living has improved over those who think that it has “worsened”, 38.3%. This is the third year in a row that city of Kukës results positive, a constant increasing trend from 2008 of about 20%.

All other Target Cities percentages are on the negative side of the balance, with more residents thinking that their standard of living has “worsened” over those residents who think that it has “improved”.

Lezhë municipality is the only one who shows a continuous deterioration over a three year period since 2008, (-12.3%). Even here, the municipalities that show a “positive” significant change since 2008 in the percentage are the municipalities of Korçë and Fier with a respective decline of (29.5%) and (18.2%).

FIG Y.2

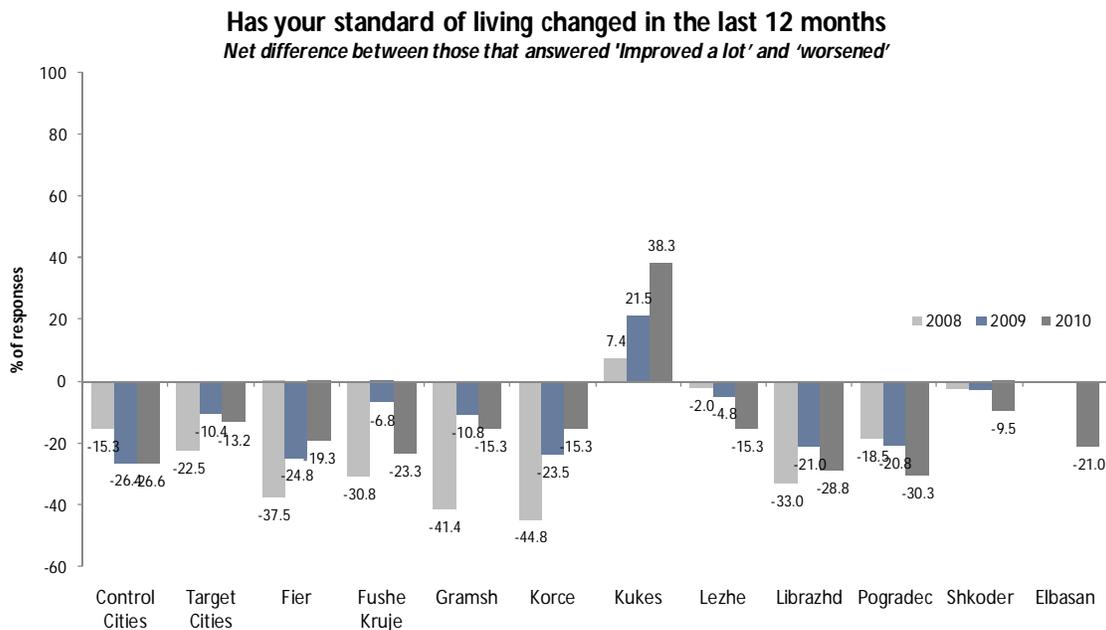


Fig. 30

## 9.1 Promising Sectors for the City

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 wealth growth of their city.

Most of citizens in Control Cities consider in 2010 as the most promising sector in their local economy tourism. There is a shift also of the construction sector from the first most promising sector in 2009 into the second most promising sector in 2010.

In the city of Fier after being for two years in a row as the most promising sector in 2010 citizens of this municipality has shifted their attention toward the agricultural processing. 84.3% of Fier residents consider this sector as "Very promising" or "Promising". In 2010 construction sector shifted in second place backed by 69% of positive responses.

In 2009 Fushë Krujë residents considered heavy industry as the most promising sector while in 2010 they consider as such the light industry sector (66.8%) and making heavy industry sector (57.5%) the third most promising after the construction sector (59.5%)

In Gramsh the construction sector regained its position in 2010 as the most promising sector (64.3%) after falling behind Agricultural sector in 2009. Both sectors shifted places in 2010 with agricultural processing coming as second most promising sector (55.5%)

Agricultural processing is considered by the Korçë residents as the most promising for their local economy (79.8%) followed by tourism (76.8%) and construction (69.8%).

Agricultural processing is the most promising sector for the Kukës residents (51.5%) followed by tourism (49.3%) and Construction (42.8%).

Tourism continues to be considered in 2010 as the most promising sector in Lezhë (94%). Construction and Agricultural processing have shifted places this year, with construction as the second most promising (75.8%) and agricultural processing coming third (48.3%)

Construction sector continues to be seen in 2010 as the first ranked promising sector (48.3%), followed by agricultural processing (42.8%) and warehousing & transport (27.5%)

Although the ranking in 2010 as not changed from the one of 2009 for the Pogradec residents, it can be seen an increased percentage of this city residents that consider construction sector as promising (90.8%). Anyway, this sector continues to come as the second most promising sector after tourism (98%).

Shkodër residents continue to back tourism to be as the most promising sector (90.8%) followed by light industry (82%) and construction (65%).

Construction is seen as the most promising sector in Elbasan (79.3%), followed light industry (68.5%) and agricultural processing (56.5%)

**Table 4. What sectors are promising for your city?<sup>12</sup>**

Promising sectors		Rank 1			Rank 2			Rank 3		
		2008	2009	2010	2008	2009	2010	2008	2009	2010
Control Cities	Sector	Tourism	Construction	Tourism	Construction	Tourism	Construction	Warehousing & transport	Warehousing & transport	Warehousing & transport
	% of resp.	84.1%	80.0%	67.3%	80.9%	76.8%	64.1%	61.9%	57.8%	50.6%
Fier	Sector	Construction	Construction	Agricultural processing	Agricultural processing	Agricultural processing	Construction	Tourism	Warehousing & transport	Tourism
	% of resp.	89.0%	84.5%	84.3%	62.8%	67.0%	69.0%	56.5%	59.0%	64.5%
Fushe Kruje	Sector	Construction	Heavy industries	Light industries	Heavy industries	Construction	Construction	Agricultural processing	Light industries	Heavy industries
	% of resp.	65.1%	72.3%	66.8%	52.7%	50.3%	59.5%	45.8%	46.8%	57.5%
Gramsh	Sector	Construction	Agricultural processing	Construction	Agricultural processing	Construction	Agricultural processing	Light industries	Light industries	Light industries
	% of resp.	45.2%	58.5%	64.3%	38.8%	57.5%	55.5%	29.7%	47.8%	49.0%
Korce	Sector	Construction	Construction	Agricultural processing	Agricultural processing	Tourism	Tourism	Tourism	Agricultural processing	Construction
	% of resp.	84.3%	69.5%	79.8%	73.3%	67.0%	76.8%	67.8%	65.5%	69.8%
Kukes	Sector	Tourism	Light industries	Agricultural processing	Construction	Agricultural processing	Tourism	Warehousing & transport	Construction	Construction
	% of resp.	55.2%	77.0%	51.5%	50.6%	72.3%	49.3%	47.3%	66.5%	42.8%
Lezha	Sector	Tourism	Tourism	Tourism	Construction	Agricultural processing	Construction	Warehousing & transport	Construction	Agricultural processing
	% of resp.	93.0%	97.8%	94.0%	88.2%	89.3%	75.8%	70.9%	86.3%	48.3%
Librazhd	Sector	Light industries	Construction	Construction	Agricultural processing	Light industries	Agricultural processing	Construction	Agricultural processing	Warehousing & transport
	% of resp.	66.5%	48.0%	48.3%	58.7%	41.0%	42.8%	47.4%	40.3%	27.5%
Pogradec	Sector	Tourism	Tourism	Tourism	Construction	Construction	Construction	Warehousing & transport	Agricultural processing	Agricultural processing
	% of resp.	91.8%	98.3%	98.0%	81.5%	71.5%	90.8%	58.0%	62.8%	40.8%
Shkoder	Sector	Tourism	Tourism	Tourism	Construction	Light industries	Light industries	Agricultural processing	Agricultural processing	Construction
	% of resp.	89.5%	90.8%	90.8%	76.0%	83.0%	82.0%	65.0%	64.0%	65.0%
Elbasan	Sector				Construction			Light industries		Agricultural processing
	% of resp.			79.3%			68.5%			56.5%

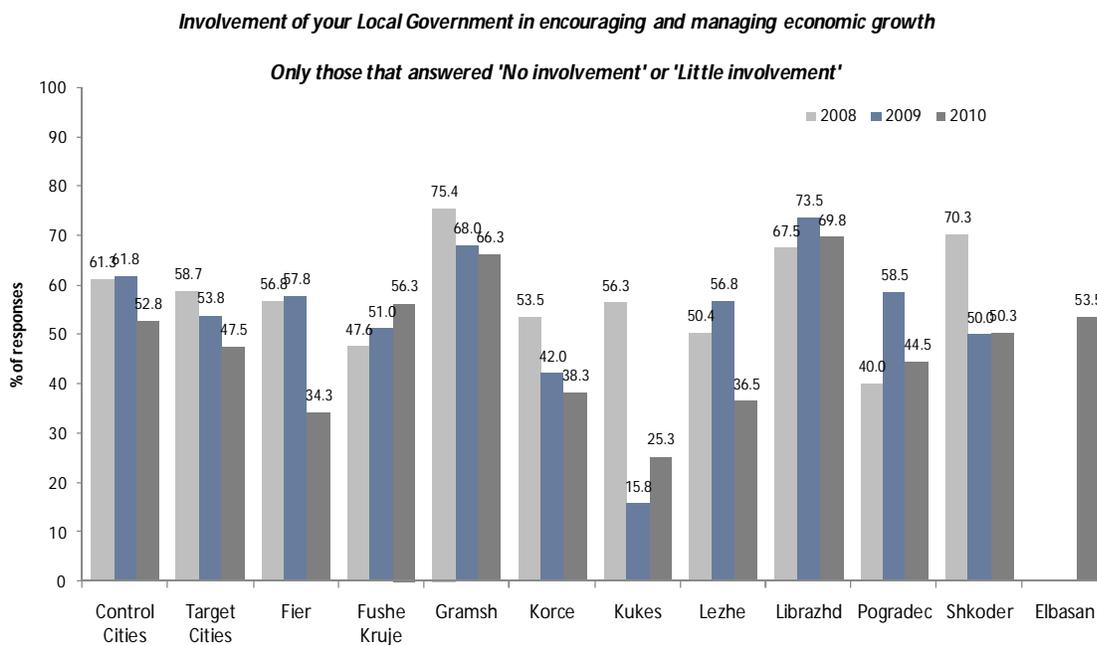
<sup>12</sup> Only those that answered “Very promising” or “Promising” in percentage.

## 9.2 Involvement of Local Government in Economic Growth

The perception of citizens regarding the involvement of local government in managing and enhancing economic growth differs among the Target Cities. On average, less than half of the respondents (47.5%) in Target Cities think that their local government has “no involvement” or “little involvement” in encouraging and managing economic growth. For the first time since 2008 less than half of the respondents in Target Cities think that local government has little or no involvement in encouraging and managing local economic growth. The 2010 average of target cities continues to be smaller than the control cities, 47.5% vs. 52.8%.

In 2010, less than half of residents in five out of ten Target Cities think that that local government has little or no involvement in local economical development. The smallest percentage of residents thinking this way is still in Kukës (25.3%) followed by Fier (34.3%), Lezhë (36.5%), Korçë (38.3%), Pogradec (44.5%).

Except Fushë Krujë government which is perceived as less encouraging in economic growth compared to 2008, all the other local government in Target Cities are believed to be more involved in this regard.

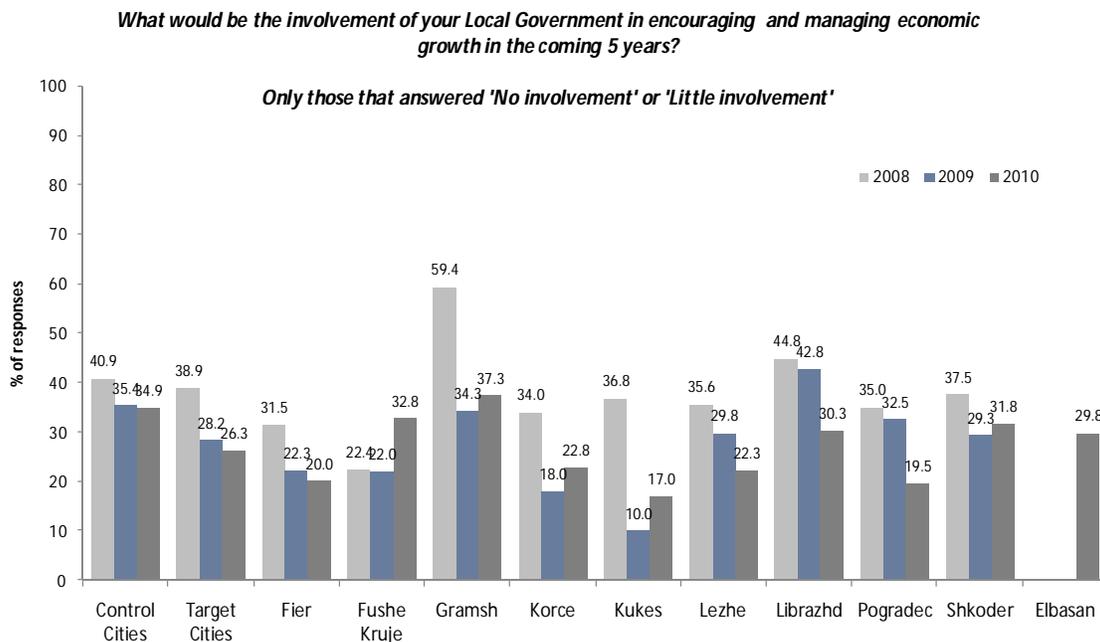


**Fig. 31**

A different situation is present when the citizens were asked about the expected future role of local government in fostering economic growth in their cities. Respondents are more optimistic on this issue in comparison to the present role of local government. In all target cities less than half of residents think that local government will have 'Little involvement' or 'No involvement' in managing and boosting economic growth.

Compared to Control Municipalities, citizens of target cities are more optimistic concerning the involvement of local government in the next 5 years in managing and enhancing economic growth. On average 25.9% of respondents in each target city expect 'little' or 'no involvement' by local government in local economic growth, a difference of 8.5 percentage points from the percentage of respondents in Control Municipalities with the same expectations.

Compared to 2008, the 'optimistic' proportion for 2010 has enlarged significantly in all Target Cities (except Fushë Krujë), especially in the municipalities of Gramsh though still lower than the average of Target Cities in 2010, Kukës which by having the lowest rate for 'non involvement' makes its residents the most optimistic ones.

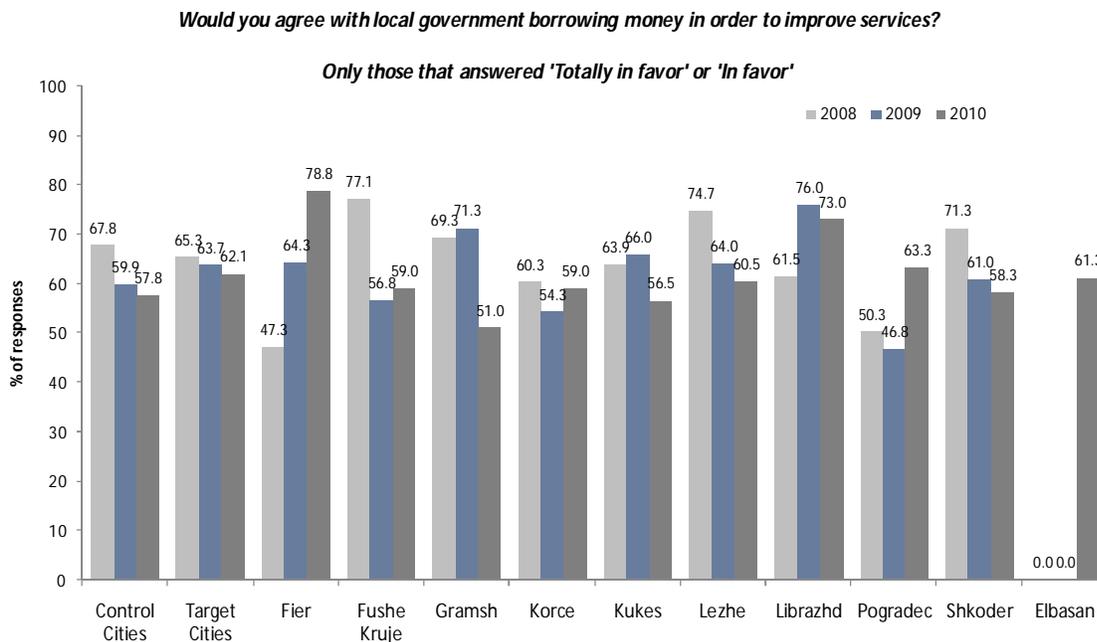


**Fig. 32**

### 9.3 Local Government Borrowing

Citizens were asked to give their opinions whether they were in favor or not of city borrowing in order to raise investments and improve services for its citizens to Control Municipalities. Even in 2010, target cities residents are more in favor of local government borrowing than the residents of control municipalities. On average, 62.1% of control cities residents are in favor of such practice.

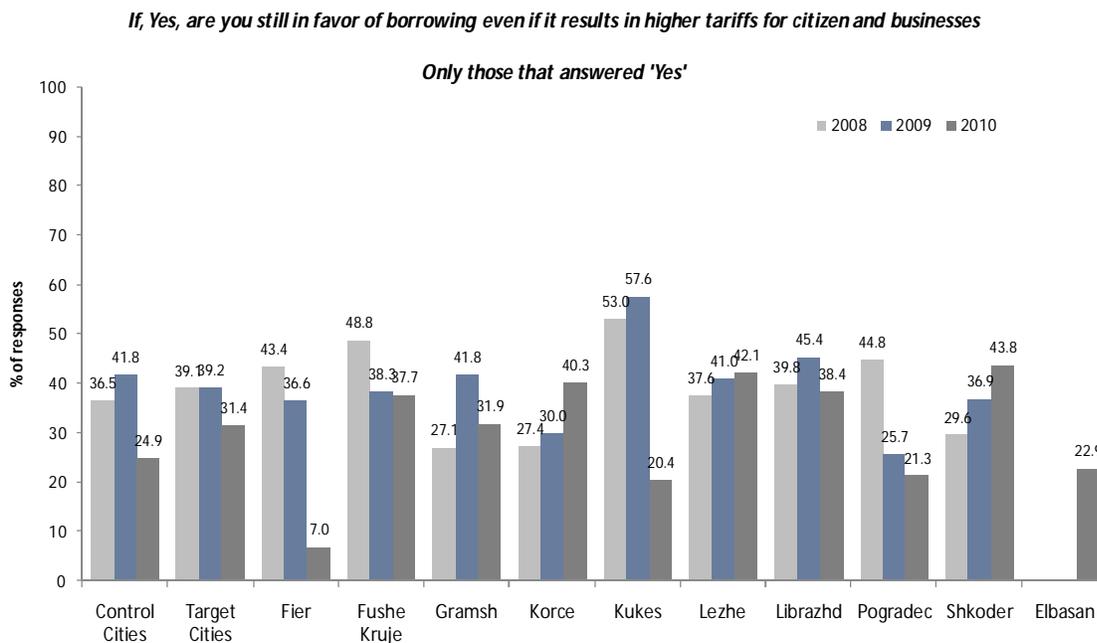
Pogradec and Fier municipalities show the biggest change in the percentage of residents who are in favor of local government borrowing. From all the Target Cities Fier residents are the ones who back most the borrowing practice, 78.8% in 2010, (+14.5%) since 2009 and (+21.5%) since 2008.



**Fig. 33**

When the citizens who were in favor to LG borrowing were asked if they would still agree with the idea if it results in higher tariffs and taxes for citizens and businesses, the majority of them did disagree. Compared to 2009 and 2008 surveys, citizens in both target and control municipalities are less agreeable to support local government on borrowing issues. On average there is a decrease of 7.8% among residents of target cities who support the idea. A noticeable decrease of 16.9% can be observed also among control municipalities residents.

Fier and Kukës residents are the ones that mostly contest the idea that local government borrowing should be charged with increased rates to the citizens. Only 7% of residents of Fier, and 20.4% of Kukës residents agree with the idea. Both this cities reflect also the biggest changes from 2008. A decrease of 37.2% in Kukës and 36.4% in Fier. On the other hand Shkodër residents are the ones who mostly support the idea, 43.8% but still they are less than half of the residents



**Fig. 34**

## 10 Sampling Methodology

### 10.1 Target City Sample

Three selection methods were employed to ensure an accurate sample within the designated cities:

- i) Selection of Sampling points
- ii) Selection of Households
- iii) 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 (units of geographical area within the clusters). A consecutive natural number was assigned to each cluster.

*Third*, 40 random numbers within the range of the total number of clusters were generated using a random number generating algorithm. In each PSU were conducted 10 interviews.

The probability method used in the **selection of the households** within the PSU-s areas was the *Random Route Sampling* method. This method ensures a broad representative sample and reflects the distribution of the population.

The respondents involved in this survey were 18+ years' old and permanent residents of the target cities.

### 10.2 Control Cities

The sample for the Control Cities was designed differently; all control cities were considered as one sample universe. The database of Voting Centers in all ten control cities was used to design the sample.

80 sampling points/voting centers were selected in all ten cities to conduct the interviews. In each sampling point ten interviews were accomplished.

Control Cities sample consisted in 800 respondents randomly selected who were 18+ years old and permanent residents of Control Cities.

### 10.3 Margin of Error

The margin of error for control cities' sample is  $\pm 3,4\%$  with a 95% confidence interval, while a sample of 400 respondents randomly selected in the target cities assures a margin of error (m.o.e)  $\pm 5\%$  with a 95% confidence interval.

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

When comparing proportions between a target city and control cities sample the m.o.e of the difference of proportions is  $\pm 6\%$  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%. If the difference of proportions is higher than the m.o.e than 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 test are necessary

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. Such test are done throughout the study and reported when there is a significant difference.