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Sustainable Development of Natural Resources through Decentralization Policies Implementation in Albania

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Abstract: One of the most discussed topics currently is the sustainable development of natural resources aiming to reduce the careless exploitation and guarantee the existence of these resources. In the context of sustainable development, decentralization policies in the field of natural resources have been implemented in many countries, mainly in developing one, among which even in Albania.

Natural resources play a strategic role in the rural economy as a potential source of long-term development and community participation in natural resource management increase the efficiency, improve equity and justice and reduce poverty.

The objectives of this paper are the reflection of the current situation in Albania after the decentralization policies implemented in the natural resource field and the evaluation of those factors that improve the impact of the decentralization policy in terms of sustainable development. These objectives are realized through quantitative methods for data processing.

After data analysis we state that important factors that affect the impact of decentralization in this area are the investments made for expansion and maintenance of natural resources and the opportunity to generate income from these sources.

Keywords: decentralization, sustainable development, natural resources, public goods

JEL classification: Q2, O13, P28

1. Introduction

According to the definition made by [Cistulli, 2002], "decentralization is the process by which authority and responsibility for certain functions are transferred from central government to local government units, communities and private sectors". Through this process, the decentralized institutions, units of local government or civil society organizations (entrepreneurs, farmers, communities, associations, etc.) have a high level of

power in decision-making. This author defines decentralization as the transfer of authority in planning, decision making and management of public functions by a high level of government to an individual, organization or agency at a lower level.

[Oates, 1972] formulated a "theorem" of decentralization, in which "each public service should be provided by the authority which has control over the smallest geographic area that can hold within it the benefits and costs of this service." Decentralization theorem was builds on the assumption that central government provides goods and services in the same way (and not according to the preferences of customers) throughout the territory of a state.

The most important reasons why should be decentralized the services provision, are primarily related to the concept of efficiency. According to [Stigler, 1957], a government, closer to the citizens is, better it performs. [Musgrave, 1959] makes a separation of the functions of government in:

- macroeconomic stabilization and economic growth,
- optimal income redistribution,
- efficient allocation of resources or factors of production

Almost all developing countries are taking decentralization reforms. While the motives for decentralization vary widely, most governments justify decentralization as a tool for increasing the efficiency and equity of development activities and service delivery, and to promote local participation and democracy.

Various authors agree that the benefits of efficiency and justice generated by decentralization come from the presence of democratic processes that encourage local authorities to serve the needs and desires of their communities.

To increase the efficiency of natural resource management and improve equity and justice for local communities, many authors, among which the main one [Ribot, 2002] promote the idea of natural resources management with the participation and community based.

Experts of development, natural resource managers, and environmentalists are promoting decentralization as a way to increase at the same time efficiency and equity in natural resource management. In countries where decentralization reforms are undertaken, they have led the way how people evaluate, use, manage, and voice their claims and concerns about natural resources. According to [Chalfant, 1998], decentralization reforms change the institutional infrastructure for the management of local natural resources and, in some cases, create an institutional basis for a management and use of natural resources with public participation.

1.1 Sustainable Development of Natural Resources

Natural Resources Management can, and should, play an important role in the infrastructure for sustainable development. In this context, sustainable development includes economic, social and political factors, in defence of resource management during decision-making process.

The main conflict that arises through sustainable development is between the environment and the pressure of human activities.

The decentralization of management of natural resources and the use of the power of local decision-making is critical to improve the ability of citizens and local authorities to generate

income. Local authorities to have control over resources that affect sustainable rural livelihoods in order to become legitimate actors of local organizations and citizens protesting for justice, sustainable livelihoods and economic improvement. The challenge of balancing these sophisticated competing tensions in the decision-making process requires access to relevant and accurate information in an interactive form. According to [World Bank, 2001], unfortunately modern societies have a long way to make before having the of necessary, legitimate and institutional combination of information technology and infrastructure to support the management of natural resources for sustainable development.

Rural development policies are designed to satisfy the needs, perform macro and micro economic changes, and ensure equity, efficiency and sustainable use of natural resources according to [UNDP, 2004]. The strategic objectives are:

- Economic growth and strengthening democracy
- Poverty Reduction
- Sustainable use of natural resources.

In this study are not take in consideration all the natural resources but only the part of them that are influenced by the decentralization policies implementation in Albania such are: foreste, pastures, grazing areas, sequestration carbon areas, etc.

1.2 The Research Questions of this Study Can be Summarized as Below:

- Does decentralization brings an increased community participation in the protection of natural resources from damage?
- After decentralization is the community willing to change the wrong usage of natural resources?
- After decentralization, have increased investment made for the improvement of communal forests, enhancement of forest areas, maintenance of existing pastures and expansion of grazing areas?
- Which are the factors that are important for impact evaluation of decentralization process?

2. Natural Resource Decentralization Process in Albania and its Importance

In 1991, Albania entered a double transitional stage, first in terms of the market economy and a multiparty political system and secondly in terms of its integration into the European Union.

This period was characterized by profound changes in the country's productive structure, by modifying the distribution of spatial-demographic and social relations due to the mass migration from mountainous and remote areas [Lerin and Mark, 2010]. The forestry sector was particularly affected by this transition: the dissolution of the state forest enterprises, massive illegal logging, weak state services toward forests and little investment in the forestry sector [Bouriaud 2005; Müller and Munroe 2008]. The overall environmental balance of the post-transition period, lasting more than twenty years, is considered to be generally negative, leading to a state of vulnerability and environmentally degraded forests and pastures [Dida, 2003; Stahl, 2010]. Forest resources came under human pressure (firewood, pasture) which led to their degradation, especially in high forests or forests near residential areas. Investment in forests management dropped considerably since the mid-

1980s. Preparation and implementation of laws was the main challenge at the beginning of the transition period. The transfer of forest administration to the Local Government Units - LGU (municipalities / villages) was one of the most important reforms in the forestry sector. The philosophy behind transferring state owned forests to municipalities / villages is the recognition of the needs of the local population for forest products and services, and their right to use them. The transfer is made in the municipalities, which then conclude agreements with the village or individuals (families).

The transfer process started in 1996, when the Albanian government and the World Bank signed the agreement on the implementation of the Forests Project. The management of Communal Forests (MCF) from rural communities was one of the main components of this project. The main principles implemented for sustainable management of communal forests were as follows:

- Focus on people, not on the forests;
- Forests management is done by locals, not by outsiders;
- Active participation of community members in the preparation and implementation of the management plan;
- Transfer the powers and responsibilities to the community;
- Train and raise the capacities of the community on sustainable forest management, etc.

Implementation of MCF was based on the participatory management of communal forests by rural communities, as well as through the development of a methodology to ensure the participation of the villagers and conflict resolution at the local level.

3. Methodology

In this chapter is given shortly the methodology of the study. We have to state that this paper is only one part of a more general study about decentralization impact in Albania and as so it is focused only in the area of sustainable development of natural resource.

3.1 Data Collection

The data used in this study are collected using a structured questionnaire with respondents representing the communities that are affected by the decentralization policies implemented in Albania. There have been collected 242 questionnaires and used to analyze and give response to the research questions presented above. The respondents were from 31 communes all over Albania, being interviewed during May – June, 2015.

3.2 Data Processing

To analyse the data I have use the software SPSS (Statistical Package for the Social Sciences), that is a program used widely for statistical analysis in social science. The analysis is focused on descriptive statistics and regression analysis to test the study research questions.

Variables used in the analysis are:

- 3 variables as categorical data for protecting and correct use of nature resources
- 2 variables as ordinal data presented as Likert Scale for impact evaluation of decentralization and the evaluation of the possibility to increase the income after decentralization process
- 5 variables as ordinal data presented as Likert Scale for evaluate the investments done to expand and improve natural resources

- 1 computed variable as a mean measure of the 5 ordinal variables presenting the investments done.

For the regression analysis, the dependent variable is the Impact Evaluation and all the other ones are used as independent variables or explanatory variables.

4. Data Analysis Results

4.1 Descriptive statistics:

Table 1: Protection and correct use of natural resources

		No	Yes	Dont know	Total
Are you active on protecting natural resources in your area?	Frequency	53	189	0	242
	Percent	21.9	78.1	0.0	100.0
Do you know that the way community used natural resource before decentralization was wrong?	Frequency	127	115	0	242
	Percent	52.5	47.5	0.0	100.0
Do you agree to change the wrong way of using natural resources based on expert suggestions?	Frequency	12	116	114	242
	Percent	5.0	47.9	47.1	100

Table 2: The investments done to expand and improve natural resources

How do you evaluate the Investments done for:		Poor	Fair	Dont know	Good	Very Good	Total
Improving communal forest	Frequency	70	15	3	41	113	242
	Percent	28.9	6.2	1.2	16.9	46.7	100
expansion of forest area	Frequency	28	68	22	22	102	242
	Percent	11.6	28.1	9.1	9.1	42.1	100
maintance of the existing pastures	Frequency	81	40	13	22	86	242
	Percent	33.5	16.5	5.4	9.1	35.5	100
expansion of grazing area	Frequency	93	42	15	14	78	242
	Percent	38.4	17.4	6.2	5.8	32.2	100
reconstruction	Frequency	71	38	24	18	91	242
	Percent	29.3	15.7	9.9	7.4	37.6	100.0

Table 3: Impact evaluation of decentralization and the evaluation of the possibility to increase the income after decentralization process

		Poor	Fair	Dont know	Good	Very Good	Total
How do you evaluate the decentralization impact?	Frequency	4	40	6	40	152	242
	Percent	1.7	16.5	2.5	16.5	62.8	100.0
How do you evaluate the possibility to increase your income after decentralization ?	Frequency	4	28	3	135	72	242
	Percent	1.7	11.6	1.2	55.8	29.8	100.0

4.2 Regression Analysis

The regression analysis is used to evaluate if there is a relation between the dependent variable Impact Evaluation and all the other ones as explanatory variables. As the sample is more than 200 respondents (is 242 exactly) we can use the linear regression even if the data are presented in Likert Scale, as with the increasing number of records the sample has more probability to have normal distribution. After many tentative, the model presented below, resulted to be the better one.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.389 ^a	.151	.144	1.102

Predictors: (Constant), Income_Possibility, Investments

As we can see, the R Squared = 0.151 shows that 15.1% of the variance of the dependent variable “Impact Evaluation” is explained by the 2 important explanatory variables of the model.

Table 5: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.769	2	25.885	21.319	.000 ^b
	Residual	290.181	239	1.214		
	Total	341.950	241			

a. Dependent Variable: Impact_Evaluation

b. Predictors: (Constant), Income_Possibility, Investments

What is important for the analysis in this table is that the Sig.= 0.000 is lower than the p-value = 0.05 that implies that the model presented is statistically significant and can be used to generate results and conclusions.

Table 6: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.368	.316		7.503	.000
	Investments	.124	.171	.043	3.727	.048
	Income_Possibility	.478	.074	.386	6.482	.000

a. Dependent Variable: Impact_Evaluation

As presented in the table above, only the variables “possibility to increase the income” and the “Investments done” are important factors that increase the impact evaluation of the decentralization process in natural resources management. The fact that the Constant term is important (sig. =0.000) shows that there are other factors that affect impact evaluation but are not included in this model, as we know currently.

The final model that gives the relation between Impact Evaluation and explanatory factors is:

$$\text{Impact_Evaluation} = 2.368 + 0.124 * \text{Investments} + 0.478 * \text{Income_Possibility} + e$$

5. Conclusions and Recommendations

- Respondents in this study agree that are active in protecting natural resources in 78.1% of cases which is a very positive indicator, while half of them didn't know that the way were using these resources were wrong before decentralization.
- More problematic is the fact that only 47.9% of them agree to change the way they use natural resources taken into consideration the experts suggestions, while the other part is uncertain.
- Investments are evaluated to be good and very good mainly for forest area expand and improve while for other natural resources the investments are less and not enough.
- The main factor that affects the impact of decentralization is the possibility to increase the income from these resources and the investments done to maintain them. The other factors were evaluated to be statistically insignificant using this methodology; we cannot derive conclusions for them. So, to increase the decentralization impact there must increase the possibility to generate income from natural resources and there must increase the investments on them.

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