

## Regional Competitiveness and Development with the Reference to the Situation in Albania

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**Abstract** Democratic Albanian local governance is a prerequisite to the meaningful decentralization of infrastructure management. When people participate in defining visions for sustainable development for their communities, in formulating strategies for equitable access to services and resources and in setting priorities for action, they have endorsed. Participation also sharpens their awareness of the interrelations between economic, social and environment issues. This is a highly significant feature of infrastructure Albanian programs and carries important role for local development. This Albanian reform allows banks to better evaluate the creditworthiness of potential borrowers, facilitating access to credit for firms and individuals. Albania also strengthened investor protection. A new company law requires that disinterested shareholders approve transactions between interested parties and obligates those parties to disclose all information on the transaction to the public. The law also reinforces directors' duties and requires directors, when found liable, to pay damages and return profits to the company. A new bankruptcy law approved during 2008 provides a more efficient framework for closing a business.

**Keywords:** Reform of public health, Sustainable Infrastructure Program, Network of drinking water, Private organizations, Efficiency of financial resource.

### 1. Introduction

There is need to invest in training and employing public health professional available with appropriate skills as wells as health manager. There has been substantial improvement in education of the health managers and public health professional etc, by establishing the new programs as well as the schools, however, varies considerably between countries. Reforms which were initiated are more fragmented with pilots and local initiatives but are not consistently implemented within national policies. Those changes focus on:

- Reducing direct state involvement through decentralization.
- Privatization reform orienting various actors to market forces and competition improving the guidelines of resource allocation decision. Also there is a particularly urgent need to increase the availability of public health mangers in those countries that are introducing market-based health sector reforms. The purpose of this paper is to present an overview of the current situation in general status of health care system the role of government and public investment on the health care system, a portrait of the organization of the latter, the current situation of training in public health administration and management as well as the overview of the current education practice in the area of health administration. (*Albania - Rural Water Supply and Sanitation Strategy, 2009*)

## 2. Objectives

### 2.1 Water Infrastructure in Albania.

Despite good progress in those areas, Albania needs to do more to improve its ranking in other indicators. In addition, much remains to be done because the report doesn't measure other important indicators that have significant impact on the business climate like corruption, infrastructure and the efficiency of the public administration. Reform of public health function will succeed only if there are enough professional available with appropriate skills.

Our nation enjoys the health, economic, and environmental benefits of an extensive network of drinking water, wastewater, and storm water infrastructure. However, those systems are quietly aging beneath our feet. If those systems are to continue to provide the services we have come to expect, we need to change the way we think about and reinvest in that infrastructure. EPA is partnering with a broad group of stakeholders to help ensure our water infrastructure keeps working effectively. Visit our sustainable water infrastructure pages to learn more about this growing challenge and how we can meet it. To meet the infrastructure challenge, we need to expand beyond traditional solutions.

The existing pattern of water supply and water quality services in the region is highly fragmented, with more than 1,000 providers operating in the multicounty region area, like many other metro areas in the United States, large-special purpose authorities such as the Allegheny County Sanitary Authority (ALCOSAN) can achieve substantial economies of scale through joint management agencies.

Although private organizations may not have direct voting power in what mix of organizations is chosen to implement the plan, they could very well influence how the public and its elected and appointed representatives make these choices.

Decentralization has given local governments the discretion and scope they need to take a lead role in responding to the challenges of economic downturn, degradation of the urban environment, and social hardship. They institute bold initiatives and innovative practices. Western European nations have put in place sophisticated frameworks to provide local governments with technical and financial assistance.

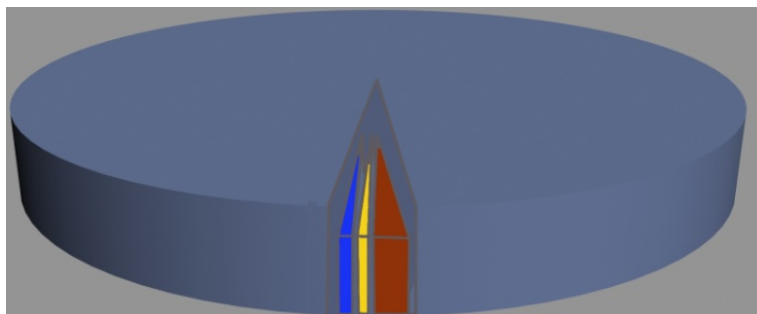
## 3. Methodology

The methodology of this research is creating the frame conditions for innovations and institutional system of innovation. The proposed definition of the field of entrepreneurship is complex, as is the phenomenon itself. It's of interest only if it allows researchers to reach a minimum level of consensus on what the field is and is not.

### 3.1 Drinking Water Infrastructure Needs Survey and Assessment

Local water utilities must make significant investments to install, upgrade, or replace equipment in order to deliver safe drinking water and protect public health. Every four years, EPA conducts a survey of the anticipated costs of these investments and reports the results to Congress. The results are also used to help determine the amount of funding each state receives for its Drinking Water State Revolving Fund program, which funds the types of projects identified in the survey.

**Fig 1.** Water system and need to invest



Source: (EINV 2009, STSTISTIC)

The third report to Congress, released in 2009, is based on data collected from utilities in 2007. EPA found that the nation's 53,000 community water systems and 21,400 not-for-profit non community water systems will need to invest an estimated \$334.8 billion between 2007 and 2027. The European Union supplements these national programs with coordinated assistance aimed at promoting economic development, assisting distressed localities and fostering social inclusion. Infrastructure is an important component of these programs. (*Official Journal of the European Communities, L175, pages 40-48*).

- Inefficiency because the health system is highly centralized, bureaucratic and unresponsive to citizens.
- The public sector has suffered from serious shortages drugs and equipment and a lack of skills to manage the institutions.

The consequences of those problems have been shown in: declining the level of quality of care and declining staff. The World Bank report 1993 (investing on Health ) pushed forward debate in the role of governments in health by combination of the three key issues such as :

- Investment in health of the poor can reduce the poverty and its consequences in health status, Improving government spending in health such as (finance package of communication disease)
- Promote diversity and competition in provision of health services increasing the private sector and improving the mechanisms of health insurance and helping them how those markets function

The WHO regional office for Europe's in "Health 21" offers a pragmatic approach to link the health improvement to the development of economic and social infrastructure.

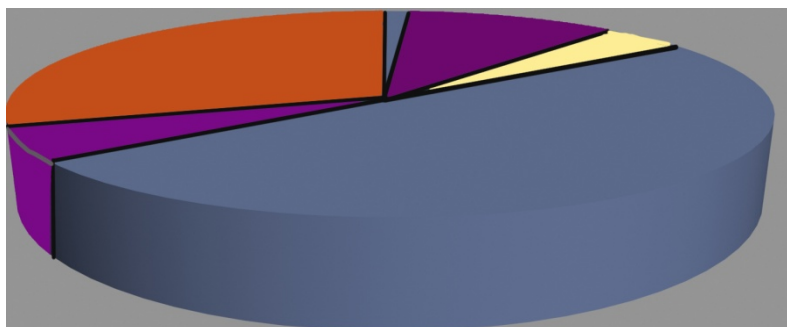
### 3.2 The Current Situation in Albania Management Health System and the Role of Government on it.

After the breakdown of the state socialism some changes have occurred in the legal framework as well as in the governmental policy and reimbursement of health care. The goal of the government's strategy for economic development during the 2001-2004 The Ministry of Health with its district-level branches, the body for policy formulation, decision making and management. During the first public administrative reforms in 1990 more administrative authority has been taken away from the centre authority and given to the regional.

The MOH has yet the important role on controlling health budget because remains the major funder and provider of health care services. A state welfare system in early 1990 has provided a small benefit for unemployment and those officially below the poverty line.

However, the benefits are meagre (basic benefit per month is about 18%) and the administration of the programs inconsistent like this graph.

Fig. 2. The infrastructure of drinking water



Source: MOH Report 2010

The latest Public Investment Program (PIP) (three-year period) assumes rapid increases in the level of public investment linked to the increasing utilization of external financing. The sectors which have had the most success in securing external financing commitments for their projects have been transport, agriculture and social safety net, where total commitments secured during the years 1994-1995 represented more than 50% of the sector resource allocation for the 1995-1997 PIP.

By contrast, relatively little success was achieved in securing financing for the environment, housing, and urban and rural infrastructure. In 1993, the Government of Albania prepared a National Environmental Action Plan which includes an action program for short, medium and long terms actions as well as a series of priority projects related to sewage treatment, urban waste, deforestation etc.

The NEAP was approved by the Government in January 1994. On the basis of the NEAP, several environmental projects and programs are now being undertaken with the assistance of international donors such as the Environment Program for Albania- PHARE, the National Water Strategy- PHARE, Water treatment systems in different regions.

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| <ul style="list-style-type: none"> <li>■ Public program</li> <li>■ Conservation</li> <li>■ Recycling</li> <li>■ Trade and commerce</li> <li>■ transport</li> <li>■ Services</li> </ul> |
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### 3.3 Water Using Sector and Health Problems

Albania has abundant water resources, composed of rivers, lakes, underground waters, springs and coastal waters. The basin of the Albanian hydrographical network is settled in the South Western part of the Balkan. The rivers of Albania are short in length and have small hydrographical basins because of the position of the country. Lakes are important components of the Albanian hydrographical network. In Albania, there are 247 natural lakes of various types and dimensions. The general water area of the Albanian lakes is 461 km<sup>2</sup>.

Albania is a water-rich country, and much of its economic activity is dependent on the utilization of water resources. Over 90% of the energy production is from hydropower plants, while agriculture is critically dependent on irrigation. However, the inadequate and poorly maintained infrastructure in each of the water-using sectors and the absence of institutional co-ordination has resulted in the lack of water supplies becoming a key constraint to many economic activities and to satisfying basic social needs. (*Albanian health care report 1999*)

The Government's role in the management of water resources has been to develop and implement policies and strategies which promote the conservation and efficient use of water. For that purpose, the Government has begun the preparation of a National Water Strategy (with funding by the EU) to set out policies concerning the efficient management and protection of water resources, and to specify an appropriate legal framework for the management of water resources.

This involves measures to broaden the tax system, improvements in tax administration, elimination of the remaining price subsidies, rationalization of social services, public administration reform and utilization of external support. This, in turn, will require strengthening of institutional capacities for budgetary planning, accounting, reporting and expenditure control. In strong local government leadership and active community participation were keys to implementing an integrated plan involving urban planning, infrastructure, and economic development

## 4. Conclusions and Recommendation

Sanitation presents even more problems than drinking water. Sanitation coverage in urban areas is almost the same as drinking water coverage. Urban areas have mostly combined sewage and storm water collection networks that discharge into near bay surface water-bodies. About 40% of the urban population has a sewer connection. In rural areas, only a small portion of the areas with piped water supply is equipped with sewer networks. Most rural areas have individual household wastewater collection systems, principally simple pit-latrines with no drainage pipes. Upgrading of sewer networks hasn't kept pace with the general development of infrastructure, and the materials and technology used haven't been improved.

Presently, there's no treatment of wastewater in Albania; its discharge in water bodies, especially in coastal tourist areas and delicate ecosystems, is a major environmental concern for the government, business, community, wide public. The distribution problem also has a seasonal aspect: much more water is needed during the summer growing season; when rainfall is scarce, rural drinking water is often misused for irrigation; and the tourist resort areas use large amounts of water.

The main issues handled out in this presentation are: strengthening local government leadership and initiative; partnership between municipalities and NGOs; concluding all of these in the community-based approaches to infrastructure services and neighbourhood revitalization. The participatory municipal management process was institutionalizes ensuring representation of women and marginalizes groups.

1. promoting privatization of the housing a stock and fostering the development of micro-enterprises
2. Ensuring the sustainability of activities initiated
3. Promoting the reliability of successful initiatives.

**Albanian government will be reality these points:**

- A dynamic local government leadership
- A coherent strategy acted upon with determination
- A healthy climate of cooperation with business
- Local government's investment initiatives to jumpstart the stagnant economy
- Creative use EU funds to implement local policy
- Efficient municipal administration

Albania currently offers a great deal of opportunity for entrepreneurship. In recent years, Albania has been trying to promote entrepreneurship among the youth. The promotion of YES (Youth Entrepreneur Seminars) seminars has had a positive impact on the young prospective entrepreneurs. An institutional framework plays an important role for interactive learning which leads to innovation.

Now, the national institutional conditions for technological innovation are referred to as a national innovation system. Three basic functions have to be fulfilled by innovation systems: reduction of uncertainties by providing information, the management of conflicts and cooperation, and the provision of incentives. We can define a national innovation system as a complex of institutions, i.e. actors, in a nation, which are directly related with the generation, diffusion, and appropriation of technological innovation. Under this definition we can identify four groups of actors in a national innovation system, i.e. business firms, public research institutes, universities and government.

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