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**Article**

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## **The Cooperation of Fyrom's Local Authority Agencies with Local Authorities in the European Union and the Balkans**

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### **Abstract**

*This article examines the modern role of local authorities in the new Balkan and European environment as well as the institutions, means and experiences of cooperation among local authorities agencies of the FYR of Macedonia and those of Balkan and European countries. Based on the results of a primary research survey undertaken in the FYR of Macedonia, this paper examines top priority sectors of such inter-regional cooperation. Countries for cooperation were selected on the basis of factors of importance, such as geography, scale of economic cooperation, intra-Balkan conflicts and the degree of participation of Balkan countries in the European integration process; sectors of cooperation are ranked on the basis of specific local authorities needs in each country. More specifically, in the case of Balkan countries, cooperation between local societies, apart from contributing to local development and strengthening the role of local authorities, it could also contribute towards reinforcing security, stability, peace and friendship among the populations of the region.*

**Keywords:** LAAs, cooperation, Balkans, EU

**JEL Classification:** H77

## **1. Introduction**

This article examines the cooperation of the Local Authority Agencies (LAA) of the Former Yugoslav Republic of Macedonia (FYROM) with Local Authorities (LA) in the European Union (EU) and the Balkans. The investigation concerns in particular: The modern role of LAAs in the new Balkan, European and international environment; whether this facilitates or not cooperation among LAAs, as well as institutions and experiences of LAAs in Europe and the Balkans. With which EU and Balkan countries have LAAs of the FYR of Macedonia developed cooperation? In which sectors? What are the factors influencing the selection of countries and sectors for inter-regional cooperation for the FYR of Macedonia LAAs? How far is inter-regional co-operation with EU and Balkan countries and LAAs of the FYR of Macedonia prioritized? What are the objects and the extent of satisfaction from such cooperation?

Methodologically, the above mentioned questions are examined on the basis of the results of the primary research as well as the relevant literature concerned the cooperation experiences in Europe and the Balkans.

Data reported are drawn from the findings of a primary research survey undertaken in 2000 on a random sample of executives/officials of LAAs in the FYR of Macedonia, i.e. 70 Municipalities comprising 56.9% of the total number of 123 Municipalities. The survey used a structured questionnaire that was filled in at a personal interview taken from 193 executives, 74.6% of which were men and 25.4% of which were women. At every Municipality, the questionnaire was filled in by 1-3 persons: at 81.4% of the municipalities by three persons, at 12.9% by two and at 5.7% by one person. These were selected on the basis of their capacity, i.e. Mayors (33.2%) or other elected officers (23.3%), senior and middle-level managerial executives (28.5%) and employees - executive members of the union/association (14.5%). This survey was undertaken within the context of Community Initiative INTERREG II, the main partners of which are the Federation of Public Employees' Organizations – regional branch of Thessaloniki, the Trade Union of Administration Employees of -FYR of Macedonia, the Independent Trade Union of Health Employees of Albania and the Confederation of Independent Trade Unions in Bulgaria.

## **2. The cooperation among LA agencies in the EU and the Balkans: theoretical references, institutions, experiences.**

The experiences and know-how of developed countries, concerning the role of local authorities in regard to development, as far as local authorities are concerned [regional development offices in the United Kingdom (Shutt & Henderson, 2005, pp. 221-223); the role of metropolitan development offices (Italy, USA, Canada, Mexico) as economic and administrative tools of intervention and encouragement of regional strategies and programs for generating wealth, provision of public goods, investment and the transition

to the economy of knowledge (Greg Clark, 2005, pp. 408 - 411); the contribution of networks to local and regional development (Palazuelos, 2005, p. 138)], on the one hand, as well as the weaknesses of local and regional authority agencies in SE Europe, in general, and the promotion of entrepreneurship, in particular (Pinto Ricardo, 2005, p. 112), on the other, highlight the significance of inter-regional co-operation of LAAs in Balkan states for local, regional and overall development of the region and for the establishment of a climate of stability and security.

The new European geography, cities and major urban centers have undertaken a decisive role in the sectors of development and cooperation. The trend for internationalization of economic activities co-exists with the promotion of districts, regions and countries that have competitive advantages and facilitate the development of the economic activities in question. This is the background against which clusters are being developed; they concern geographical clusters of enterprises, agencies, and institutions, as well as bodies associated with them (Kalogirou, 2000, p. 141).

Additionally, as indicated by international practice to attract investment, local and regional agencies are highlighted as actors undertaking initiatives to attract investment (England, Scotland, Ireland, etc) (Hassid, 2000, p. 156).

Throughout the available literature, major CEE agglomerations and urban areas are consistently as leaders in the transformation process. As established of economic development, major cities benefit from a high level of investment, a skilled labour force, more developed infrastructure, business services, access to key decision-makers, a higher standard of accommodation and retail facilities. "The types of regional problems in CEE reflect both the unique process of transition, as well as structural changes already undertaken in Western countries but delayed in CEE by geopolitical factors. Overall groupings include: a) Capital cities/major urban agglomerations which demonstrate the most favourable economic indicators, benefiting from e.g. high investment, skilled labor force and training facilities, more developed infrastructure, business services and access to decision-makers. b) Western border regions which benefited from proximity to the EU, encouraging investment, trade, tourism and cross-border retail and education/technological initiatives. c) Peripheral eastern and rural regions which are among the most economically disadvantaged in CEE. Geographical location, poor infrastructure, low investment, declining agriculture and rural out-migration are all contributory factors. d) Old industrial regions, the drivers of economic activity under socialism, which have been particularly negatively by privatization, enterprise restructuring/closures, subsidy loss and market re-orientation (DIW and EPRC, European Commission Tender No. PO/00-1/RegioA4, 2001, p. 55, 56, 130).

"EU cohesion policy has to face in an enlarged Europe two big challenges. On the one hand, due to the legacy of the socialist era, there is a general economic and social backwardness in Central and Eastern Europe with respect to the old EU member states. Hence, EU cohesion policy will have to contribute to the catching-up of the new member states' economies if the Treaty objectives of economic and social cohesion are to be respected. On the other hand, the transition from centrally planned economies to

market economies and the ongoing integration with EU have to lead to a preoccupying rise of regional inequalities within CEECs... Some regional policies can have unfortunate consequences, including a reduction in the rate of growth, or the same effect coupled with an increase in income inequalities, or the relocation of firms to the richer regions” (Jorg Lackenbauer, 2004, pp. 156-157).

“Municipal growth orientations are strongly patterned by the community’s existing character, by the every day conditions experienced by its residents, and by the city’s experiences with past growth” (Paul G. Lewis, 2002, p. 156). “The main reason for economic growth and development of municipalities in Slovenia in the period 1996-2002, was an inefficient use of human capital in the production process” (Matjaz Novak, Stefan Bojnec, p. 174) .

In this context, LAAs, as the institutions closest to citizens, face modern challenges in the current international environment, with the internationalization of economies and the search for new governance mechanisms, the EU enlargement and developments in Eastern European countries. Such developments affect and redefine the modern role of local governance in the economic, social, cultural and environmental development of local societies. LA agencies aspire to upgrade their role and mission in modern governance and demand the necessary resources that will allow them to respond to related challenges.

The basic issue, faced by the economies of Balkan countries as a whole and each one individually, is whether their future will lead to regional unification within the context of European integration or to isolation and marginalization.

If “in a civilised society, attention must be focused on the people as a whole”, in the Balkan states, above everything else, it is necessary to shape the awareness of shared Balkan interest for the progress and prosperity of the region (Galbraith, 1997, p. 197).

A strategic choice for all Balkan countries in transition is to participate in the process of European integration. In an official statement by the European Parliament, in November 1997, it is stated that regional co-operation among Balkan countries should be reinforced, since it is a positive step towards their European accession. In the conclusions of the Greek Presidency concerning the “future of structural policies and cohesion in the enlarged EU”, (Halkidiki, May 16, 2003), it is noted, among other things, that “it is also necessary to reinforce trans-national and cross-border co-operation with countries outside the Union. Therefore, in the new planning period, better co-ordination is necessary for all relevant mechanisms the EU activates to this effect (Structural funds, PHARE, TACIS, CARDS, MEDA)”.

An announcement by the European Commission (EU Bulletin, Dec 11, 2002, COM 2002, 709) – “a framework for target-based tripartite contracts and agreements between the Community, the States and regional and local authorities” – underlines “the increasingly significant role of local authorities, both in planning and, mainly, in implementing community policies”. Furthermore, the White Paper on European Governance (EU Bulletin, Aug 7, 2001), highlights the idea of “establishing contractual tools among member states, regional and local authorities and the European

Community". These contractual tools are foreseen to include targeted tripartite agreements involving the Commission, one member state and local or regional authorities; furthermore, agreement features are also defined. The proposal by the European Commission (14/7/2004, COM 2004, 492) concerning the reform of regional policy, includes the establishment, as of Jan 1, 2007, of the European Groupings of Cross-Border Co-operation (EGCC), the objective of which is "to facilitate and promote cross-border cooperation between Member States, regional and local authorities".

The basic principles ruling the work of the Committee of the Regions (subsidiarity, proximity) also include partnership schemes, according to which, sound European governance presupposes co-operation of European, national, regional and local levels of governance. In the 2000–2006 period, the EU Committee of the Regions has determined that enlargement and European governance are two of its top priorities. In this framework, the Committee of the Regions supports local and regional authorities of candidate countries so that they may adapt to the European environment; it makes efforts to strengthen administrative competence of regional and local institutions, it provides assistance to them so that they may develop their relations within the EU, to make good use of community programs and to adopt community legislation (Political priorities of the Committee of the Regions for the 2000–2006 period, Office for Official Publications of the European Communities, 2002, p.16).

European integration is associated, among other things, with modernization, effectiveness and the quality of services provided to citizens by LAs. With the EU enlargement, the map of LAs is changing; the degree of decentralization varies from country to country and local authority models are organised differently. However, there are common features among LAs and this is particularly true in enlargement countries; these features are related to the need for transference of local competences and upgrading human potential and to the limited resources available. Furthermore, common goals for the reinforcement of the role of LAs, local development, provision of satisfactory services to citizens, promotion of local democracy and employment are also common features of LAs.

In the European Spatial Developmental Perspective (ESDP), "Towards a balanced and sustained development of the Union Territory (Potsdam May 1999)", it is noted that intervening in regard to spatial development issues should take into account "constant progress in economic integration, a growing role for local and regional authorities, the forthcoming enlargement of the Union to central and eastern Europe and the development of links between the 15 and their neighbours". Among other things it is recommended that member states and local and regional authorities should continue to implement plans in the context of cross-border and inter-regional cooperation.

The programme for cross-border cooperation (Official Gazette L 240, Sept 7, 2002), in the framework of PHARE, aims at promoting co-operation among border regions in Central and Eastern Europe and adjacent regions and developing co-operation networks among border regions as well as the establishment of links among such networks and broader community networks.

In the EU context operates the Council of European Municipalities and Regions (CCRE), which, among other things, aspires at expanding and strengthening institutional competences of LAs and the development of their cooperation with each other. At a conference organised by CCRE on twinning between cities in Europe (Antwerp May 22-24, 2002), delegates asked for the support of the European Commission so that twinning actions between cities should include Balkan countries as well (Albania, Bosnia-Herzegovina, Croatia, FYR of Macedonia, Serbia-Montenegro), (Twinning in Europe: Beyond exchange, p. 2).

More than 170 European Municipalities have signed the Aalborg+10 Commitment on Sustainable Development adopted at the 4<sup>th</sup> European Conference on Sustainable Cities (June 9-11, 2004) (Aalborg+10 Conference).

Similar co-operation initiatives are being developed in the context of Euro-Mediterranean Cooperation of Local and Regional Authorities (COOPEM), with the participation of 86 members from the 15 EU member states and 12 Mediterranean countries.

In May 2004 the founding conference of the new world organization of United Cities and Local Governments was held in Paris. Its aims included, according to the official declaration, cooperation with the United Nations and the world community, peace among peoples, strong Local Authorities, inter-municipal international co-operation, sustainable development, decentralization, diplomacy of the cities, preservation of the cultural versatility of modern cities and the adoption of a World Charter by Local Authorities.

At the EU – Western Balkan Summit (Thessaloniki, June 21, 2003), the EU repeated its definite decision to support the European prospects of Western Balkan countries and its commitment to a common political and economic future for the countries of SE Europe. It is stated that “the process of stabilization and association” of the EU in the region leads to the conclusion of contractual agreements, which comprise an important step for EU accession and co-financed Community aid.

Most EU programmes for Balkan countries are implemented through the European Agency for Reconstruction. Sectors supported include central and local government along the following basic axes: preparation of law-drafts, development of training courses and provision of information technology equipment, support to local and regional administration and strengthening of the public sector.

The basic problems of Community aid to Balkan countries still concern limited resources, the level of which is significantly lower than that provided to countries of Central/Eastern Europe, and reduced efficacy of interventions. Furthermore, the Stability Pact, which, when established, was considered the most significant initiative to support the Balkans, has not so far yielded the results expected, exactly because there was no commitment to the disposal of necessary resources and due to a lack of clearly defined goals. The problem of inadequate resources will get worse, if we take into account that the budget of the EU of the 25 is lower (1.045% of the Community GDP) than that of the Europe of the 15 (around 1.22% of the Community GDP).

An important role in the development of inter-regional co-operation in the Balkans may be played by social, trade union, spiritual, and entrepreneurial agencies as well as LAAs, many of which have accumulated significant experience from inter-Balkan co-operation initiatives.

Chambers in Balkan countries are also developing co-operation initiatives; a Balkan Bar Association has been established, along with a Balkan Press Centre; co-operation schemes have been created among news agencies, publishers, Farmers' Co-operative Associations, Universities and Local Authority agencies of Balkan countries.

More specifically, at the first meeting of LAAs held in Thessaloniki in December 2000, the Mayors of thirty major Balkan cities decided to found the Network of Balkan Cities for friendship, cooperation and development. The founding agreement states the goals of the Network, which include cooperation and issues related to the instruments and operation of the Network. Article 1 of the Agreement, which develops the content of Inter-Balkan, Inter-Municipal Co-operation states: "The cooperation and joint action of cities, beyond the exchange of information and know how and the development of friendly, cultural and entrepreneurial contacts, could also aim at the mobilization of cities vis-à-vis major issues, such as reconstruction programmes, developmental projects, co-operation projects and, of course, utilisation of the possibilities provided by the European Union so as to develop joint co-operation initiatives and programs. Implementation of such programs by Local Authorities as well as the participation of LAAs in project planning, in a creditable and effective manner, makes inter-Balkan, inter-municipal co-operation imperative".

As for the sectors of co-operation, these include, among others: the organization and administration of LAs, the environment, the management of water resources and refuse/waste, town planning and urban infrastructure, education, culture, social welfare, employment, traffic issues, economic development, telecommunications and Information Technology (Founding Declaration of Balkan Cities Network, Thessaloniki 2000).

At the second meeting of the Mayors of the Balkan Cities Network in December 2001, the axes of co-operation were further specified.

Initiatives for the co-operation of local and regional authorities are encouraged and undertaken in the framework of the South-East European Cooperation Process (SEEC) in the sectors of economy, trade, the environment, security, cross-border co-operation, etc.

Local, democratic Non-Governmental Organizations in Croatia, Bosnia-Herzegovina, Serbia and the FYR of Macedonia participate in the Association of Local Democracy Agencies (ALDA), which promotes initiatives supporting democracy, human rights, culture and cross-border cooperation.

In the framework of the Council of Europe, operates the Network of National Associations of Local Authorities of South-Eastern Europe (NALAS-SEE) with the participation of Central Associations of Municipalities from Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Serbia-Montenegro, Kosovo, Greece, Moldova,



Romania, Slovenia, FYR of Macedonia and Turkey. The aims of the network include exchanging good practices and experiences, reinforcement of the position and role of LAAs in each country, organisation of working groups for education and joint programs and the promotion of twinning and technical co-operation among members of the network and other networks and organisations. A similar initiative is the European Network of Training Organizations for Local and Regional Authorities (ENTO), which operates in the context of the 45 member states of the Council of Europe.

### **3. Inter-regional co-operation among LAAs in the FYR of Macedonia**

The ACT 52/1995 enacts the creation of the local government units are the municipalities and the city of Skopje. In the city of Skopje there are seven municipalities, which arrange the issues concerning the residential district of the city of Skopje through a collective body. In the FYROM there are no other levels of local government apart from the primary level. The area where the local government unit is established should shape a natural, geographical and economic unbreakable entity, where inhabited areas communicate each other and are directed to the common centre. The FYROM consists of small-sized municipalities in terms of population. In particular, from 123 municipalities of the country, 47, that is 39%, have up to 5.000 inhabitants, while the population of an equally high percentage of municipalities (26 municipalities or 21% of the total) is up to 10.000 inhabitants. The population of only 10 municipalities is from 50.000 to 100.000 inhabitants and the population of only 1 municipality (Skopje) is more than 100.000 citizens (Statistical Service of FYROM, 2001). The local government units co-operate with local government units of other countries, as well as with international organizations and are entitled to become members of international organizations with a local power.

Considering the interviews conducted and as far as the inter-municipal cooperation is concerned, it doesn't seem to be a widely adopted cooperation practice among the local authorities. No economic or other incentives have been laid down by the government to strengthen this co-operation, as a result, even in common geographical areas, with comparatively common advantages, no joint services and operations are found.

In this context, and within the framework of the "diplomacy of citizens and social agencies", priorities and sectors of interregional cooperation among LAAs from the FYR of Macedonia with equivalent agencies of the EU and Balkan states are to be considered. But first, certain findings related to current LAAs have to be mentioned.

#### **3.1 Assessment of the current state of LAAs in the FYR of Macedonia**

When asked to assess LAAs before and after 1989, the persons who filled in the survey questionnaires characterized their Municipality current state after 1989 as good (average ranking 44 in the 1-100 scale), the situation before 1989 as bad (38) and the future

prospects as very good (69). It seems that the persons asked were not happy with the situation that existed before 1989, they are not fully satisfied with the transitional situation as this has been shaped after 1989, and that they are expecting a future improvement in the state of LAAs (Table 1).

According to the responses of the persons asked, LAAS in the FYR of Macedonia greatly lack funding (average of 29 in the 1-100 scale) and, therefore, problems in building infrastructure (40), inadequacy of equipment (40) and low level of computerization. They consider the staff sufficient (63), staff qualifications adequate (70) and management efficient (57) (Table 2).

In regard to the current institutional framework of LA, the highest percentage of those asked consider it very good; in regard to equal opportunities between men and women, and relatively good in regard to the recruitment of staff; modernization prospects and personnel evaluation criteria. On the contrary, the institutional framework is considered elementary in regard to meritocracy, when it comes to promoting managers, adaptability to European standards and efficiency. Furthermore, the framework is considered very bad in regard to decentralization (Table 3). This assessment shows that, in general, those asked consider the institutional framework of LA inefficient and not up to par with modern requirements. This is why – according to their responses to another question – they consider the institutional framework as the biggest obstacle in the process of modernization of the system of LA, the second one being the lack of funding.

These findings that concern the current state of affairs and the institutional framework of LAAs in the FYR of Macedonia, seem to have an impact on the priorities of co-operation with corresponding agencies in the EU and the Balkans, which are presented below.

## **3.2 Cooperation of LAAs of the FYR of Macedonia with EU countries**

### **3.2.1 Countries and sectors of co-operation**

Table 4 indicates that LAAs of the FYR of Macedonia are co-operating mainly with agencies from Germany; they share experiences in working methods, they organise personnel exchange visits and community programs. Co-operation with Greece follows, in the sectors of community programs, sharing of experiences in working methods and personnel exchange visits. There is quite pronounced co-operation with agencies of the following countries, presented in descending order: Austria, the Netherlands, Italy, Denmark, France, Belgium and the United Kingdom, while there are a few cooperation schemes with agencies from Spain and Luxembourg. There is no cooperation with agencies from Finland, Ireland, Portugal and Sweden.

It seems that when FYR of Macedonia LAAs select countries for cooperation, what plays an important role is geography, since co-operation appears to be more enhanced with countries that are relatively near; on the contrary, cooperation seems to be weaker, if it exists at all, with more remote countries. In addition, the cooperation is

being influenced by the scale of the economic co-operation of the FYR of Macedonia with EU member states (FDI and external trade).

Furthermore, the selection of countries for co-operation seem to be influenced by the level of development and the significance (power) of these countries in the EU (priority is given to bigger countries) as well as their role in EU evolution, since all six of the founding EEC members are included in the group of countries the FYR of Macedonia is cooperating with.

In regards to the sectors of co-operation to date with corresponding agencies within the EU, sharing of experiences in working methods ranks first, followed by community programs, research surveys, personnel exchange visits, information, personnel training and citizen services.

These priorities, in regards to sectors of co-operation, are directly related to current conditions, problems and needs of LAAs in the FYR of Macedonia, which, according to the findings of the same research survey are related to upgrading human potential, modernizing equipment and technical infrastructure and lack of necessary funding resources.

### **3.2.2 Countries and agencies of co-operation**

The main majority (81.5%) of FYR of Macedonia LA representatives asked stated that they are co-operating with corresponding Municipalities in EU member states; these were followed by trade unions within LAAs (4.3%), Prefectures (0.6%) and Regions (0.6%). This choice, i.e. to mainly co-operate with municipalities, has to do with the fact that the latter are more similar to the features and needs of FYR of Macedonia LAAs, while having the necessary and useful experience and know how, these LAAs aim at utilizing. It is mentioned that in the FYROM there is only the primary level of local government.

Inter-regional co-operation of FYR of Macedonia LAAs is being developed with agencies from the following countries, in descending order: Germany (19.7%), Greece (16.1%), Austria (8.3%), the Netherlands (8.3%), Italy (6.7%), Denmark (6.2%), France (5.7%), Belgium (5.2%), the United Kingdom (5.2%), and Spain (2.1%), while no co-operation initiatives have been developed with agencies from Portugal, Sweden, Finland and Ireland (Table 5).

### **3.2.3 Evaluation of the experience of co-operation with EU countries**

From the assessment of the experience gained by officials of FYR of Macedonia LAAs from their co-operation with corresponding agencies from EU countries, it may be concluded that, on a scale from 0 to 100 (negative > positive), average rating is 72. Assessed as very positive is co-operation with agencies from the Netherlands (84) and France (80), as positive with agencies from the United Kingdom (78), Italy (77), Austria

(73), Germany (71), Belgium (68), Spain (67), Greece (65) and Denmark (63), while cooperation with agencies from Luxembourg is assessed as mediocre (50).

It may be seen that representatives from FYR of Macedonia LAAs assess as positive and very positive their co-operation with corresponding agencies in EU countries. It is obvious that this reflects the higher level of development of LAAs in EU countries, as compared to their equivalent agencies in the FYR of Macedonia, and the wealth of their experience, which may be disseminated and utilised.

### **3.2.4 Participation in Community Programmes**

57.5% of LAA representatives stated that their agency had participated in the PHARE Programme, 5.2% in Community Initiative INTERREG, 17.1% in some other program/project and 25.9% in no such program. The majority of LAAs have utilized community programs/projects, which comprise the main mechanism of inter-regional cooperation, and this gives them the possibility to deal with problems of adaptation to the new environment, to draw funding, to co-operate with EU agencies and to enhance their prospects of integration in EU conditions.

## **3.3 Cooperation of FYR of Macedonia LAAs with Balkan countries**

### **3.3.1 Countries and sectors of co-operation**

The representatives of FYR of Macedonia LAAs have reported that, in regards to inter-regional co-operation with Balkan states, they have so far developed co-operation schemes with the following countries, in descending order: Bulgaria, Turkey, Albania, former Yugoslavia, Romania and their own country.

As for sectors of inter-Balkan co-operation, the following were reported in descending order: sharing experiences in working methods, community programs, information, research-surveys, services users, new technologies, personnel training and technical infrastructure (Table 6).

In regard to sectors of co-operation per country, they are as follows: exchange of working method experiences, community programs and information with Bulgaria, exchange of working method experiences and information with Turkey. LAAs of the FYR of Macedonia also co-operate with former Yugoslavia and Albania, while the scale of co-operation with Romania is lower.

### **3.3.2 Countries and agencies of co-operation**

Co-operation of FYR of Macedonia LAAs is mainly developed with Municipalities in Balkan states (82.3%), the first choice being Bulgaria, followed by Turkey, Albania, former Yugoslavia and Romania. These LAAs also co-operate with LAA trade unions (7.7%), Regions (2.7%) and Prefectures (1.7%), (Table 7).

### **3.3.3 Evaluation of experience from co-operation with Balkan countries**

FYR of Macedonia LAA's rating of the cooperation experience with corresponding agencies from Balkan countries was 59, on average, on a scale from 0 to 100; this is considered satisfactory and it is lower than the average rating for co-operation with EU member states. Cooperation with agencies from Turkey (66) is considered satisfactory, while that with former Yugoslavia (59), Bulgaria (58), Albania (52), Romania (50) and FYR of Macedonia agencies (50) is considered mediocre.

### **3.4 Correlation of LAAs of FYR of Macedonia with corresponding LAAs from EU and Balkan countries**

When correlating the cooperation between LAAs from the FYR of Macedonia with corresponding LAAs in EU and Balkan countries, it is apparent that the highest percentage of persons asked (93.8%) stated that they cooperate with corresponding agencies from Balkan countries, while the lowest percentage referred to cooperation with those from EU countries (83.9%). When it comes to cooperation sectors, Balkan countries agencies rank first in comparison to the EU ones in the sectors of information, exchange of experiences in working methods and community programs; they are lagging behind in the sectors of personnel training, research-surveys and services users.

The priority given to Greece by FYR of Macedonia LAAs, (2<sup>nd</sup> among EU countries) as well as the choice of co-operation sector (community programs, exchange of experiences, new technologies) are attributed to the fact that Greece is the only EU member-state in the region - in the period when the present survey was implemented - it has a higher level of overall development and LAA development, there is a good scale of economic co-operation between the two countries in the trade and investment sectors and the two countries are close to each other, which facilitates co-operation between their respective agencies.

## **4. Conclusions**

After 1989 and the beginning of transition procedures from centrally planned economies to market economies, Balkan countries, including the FYR of Macedonia, have had to face the challenge of a radical transformation at the political, administrative, economic and social levels.

This transformation concerns the structure, content and operation of Local Authority Agencies and the need for their adaptation to modern European conditions as well as the need for the promotion of regions and local communities to a major stakeholder in the European edifice.

Following the end of bipolarity and incompatibility of their respective systems after 1989, Local Authority agencies in the Balkans also undertook initiatives of inter-

regional co-operation with each other and corresponding EU agencies, utilizing related EU programs and initiatives that encourage and facilitate such co-operation as well as international experience of cooperation and networks of cities and their role as a basic tool for the promotion of local development. This type of initiative is reinforced by the new European geography, according to which cities and major urban centers become decisive actors in the development and co-operation sectors; there is an international tendency to create cities-pylons, "internationally open urban systems", which are becoming new forms of urban development.

As for the factors influencing the choice of EU member states for co-operation by the FYR of Macedonia LAAs, geography plays an important role, since co-operation seems to be stronger between countries that are nearer and weaker to non-existent with more remote ones. Furthermore, selection of countries for cooperation seems to be influenced by the scale of the economic co-operation of the FYR of Macedonia with EU member states (FDI and external trade), their development level and their "weight" in the EU (priority is given to bigger countries), as well as their role in the EU evolution, since all six founding EEC member states are included in the countries the FYR of Macedonia has selected to cooperate with.

In regards to the sectors of co-operation to date with corresponding agencies from EU countries, top priority is given to the exchange of experience in working methods, followed by community programs, research surveys, personnel exchange visits, personnel training and service provision to citizens.

The selection of inter-Balkan co-operation countries on behalf of FYR of Macedonia LAAs is affected by geographic proximity, in the sense that cooperation schemes are developed with countries that are closer; other factors include inter-Balkan conflict (cooperation is impossible with Albanian agencies and stronger with countries characterized by weaker bilateral disputes), as well as the level of integration of the Balkan country in question within the EU, which explains the high priority given to cooperation with Greece, since it is the only EU member state in the region. Generally speaking, proximity, the scale of overall economic cooperation and national priorities seem to be influencing both the choice of countries and the intensity of cooperation.

In correlating the cooperation of FYR of Macedonia LAAs with the corresponding agencies in EU and Balkan countries, it is clear that an overwhelming majority of those asked (93.8%) stated that they cooperate with corresponding agencies in Balkan countries and a smaller majority (83,9%) stated that they cooperate with LAAs from EU countries. In regard to the sectors of such cooperation Balkan LAAs rank first over those of the EU in the sectors of information, exchange of experiences in working methods, and community programs, while they lag behind in sectors of personnel training, research-surveys and services users. On the contrary, the level of satisfaction of FYR of Macedonia LAA representatives vis-à-vis their co-operation so far with agencies from EU member states seems to be higher than that of their satisfaction with cooperation with Balkan countries. The agencies that FYR of Macedonia LAAs mainly cooperates with are municipalities and less so trade unions of

LAA employees, Prefectures and Regions; this choice is related to the fact that the former are more similar in features and needs, while they have necessary and useful experience and know-how, which they aspire to use. Priorities in the sectors of cooperation are directly related to the current state of affairs as well as problems and needs of LAAs in the FYR of Macedonia; they have to do with upgrading human potential, modernizing equipment and technological infrastructure and the lack of necessary funding. Community programs seem to be the basic mechanism of inter-European and inter-Balkan cooperation; through these programs issues of adapting to the new environment are expected to be resolved and funds to be drawn so that prospects of the country's European integration may be enhanced.

Cooperation of local societies and the "diplomacy of cities" so as to strengthen regions not only contributes to local development and the enhancement of the role of LAAs, but – specifically in the Balkans – it may also contribute towards cultivating an atmosphere of security, stability, peace and friendship among the peoples of the region and mitigating conflicts and disputes between countries. This is even more important in view of the fact that, despite the opportunities mentioned above and the experiences of inter-regional cooperation of Balkan countries with each other and with EU countries, there are still obstacles and difficulties limiting the dynamics and prospects for such co-operation. Obstacles include the limited, as yet, or even different competences of local and regional authorities at the European and Balkan level, the use, in certain instances, of such co-operation for promoting "national" and "political" aspirations, in combination with the existing "national suspicions", and the tension and insecurity these often lead to.

Upgrading and strengthening the role of LAs in the Balkans and Europe as well as the brave action of decentralization and safeguarding necessary resources at the national and European levels are the main prerequisite conditions for supporting inter-regional cooperation among LAAs and networking of initiatives in the context of regional Balkan integration, which will contribute towards the development of the region and will facilitate their accession to single Europe.

**APPENDIX**

Table 1. Assessment of the current situation in the Municipality (after 1989), The previous state (before 1989) and the future one, as you personally project it to be: Scale 1-5 (1=very bad / 5=excellent)

		Very bad >>> excellent							
s/n		N.A.	1	2	3	4	5	Total	Average score scale 0 - 100
1	Current situation	8 4,1	26 13,5	44 22,8	68 35,2	43 22,3	4 2,1	193 100,0	44
2	previous situation	28 14,5	46 23,8	38 19,7	43 22,3	26 13,5	12 6,2	193 100,0	38
3	future situation	4 2,1	8 4,1	7 3,6	52 26,9	77 39,9	45 23,3	193 100,0	69



Table 2. You are kindly requested to assess your Municipality as follows: Scale 1-5  
(1=not considerable / 5=very considerable)

s/n	SECTOR	N.A.	not considerable >>> very considerable					TOTAL	Average score Scale 0 - 100
			1	2	3	4	5		
1	Sufficiency of funding	1 0,5	62 32,1	67 34,7	44 22,8	6 3,1	13 6,7	193 100,0	29
2	Building infrastructure	3 1,6	35 18,1	57 29,5	60 31,1	26 13,5	12 6,2	193 100,0	40
3	Adequacy of equipment	3 1,6	23 11,9	60 31,1	82 42,5	21 10,9	4 2,1	193 100,0	40
4	Equipment	3 1,6	27 14,0	38 19,7	82 42,5	35 18,1	8 4,1	193 100,0	45
5	Level of computerized services	6 3,1	29 15,0	43 22,3	65 33,7	41 21,2	9 4,7	193 100,0	44
6	Staff Sufficiency	3 1,6	2 1,0	30 15,5	53 27,5	81 42,0	24 12,4	193 100,0	63
7	Staff Qualifications	3 1,6	2 1,0	18 9,3	44 22,8	79 40,9	47 24,4	193 100,0	70
8	Management Efficiency	15 7,8	17 8,8	27 14,0	51 26,4	55 28,5	28 14,5	193 100,0	57

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Table 3. How would you assess the current institutional framework of Local Authorities in your country, according to the parameters below: scale 1 - 5 (1=very bad / 5=excellent)

s/n	SECTOR	N.A.	Very bad >>> excellent					TOTAL	Average score Scale 0 - 100
			1	2	3	4	5		
1	Decentralization	3 <i>1,6</i>	110 <i>57,0</i>	41 <i>21,2</i>	28 <i>14,5</i>		11 <i>5,7</i>	193 <i>100,0</i>	
2	Efficiency	4 <i>2,1</i>	32 <i>16,6</i>	79 <i>40,9</i>	57 <i>29,5</i>	15 <i>7,8</i>	6 <i>3,1</i>	193 <i>100,0</i>	
3	Equal opportunities between Men and women	3 <i>1,6</i>	6 <i>3,1</i>	20 <i>10,4</i>	58 <i>30,1</i>	58 <i>30,1</i>	48 <i>24,9</i>	193 <i>100,0</i>	
4	Staff recruitment criteria	3 <i>1,6</i>	24 <i>12,4</i>	20 <i>10,4</i>	79 <i>40,9</i>	44 <i>22,8</i>	23 <i>11,9</i>	193 <i>100,0</i>	
5	Staff evaluation criteria	6 <i>3,1</i>	32 <i>16,6</i>	43 <i>22,3</i>	68 <i>35,2</i>	34 <i>17,6</i>	10 <i>5,2</i>	193 <i>100,0</i>	
6	Meritocracy in Manager Promotion	7 <i>3,6</i>	35 <i>18,1</i>	53 <i>27,5</i>	64 <i>33,2</i>	28 <i>14,5</i>	6 <i>3,1</i>	193 <i>100,0</i>	
7	Prospects of modernization and positive changes	5 <i>2,6</i>	10 <i>5,2</i>	64 <i>33,2</i>	71 <i>36,8</i>	35 <i>18,1</i>	8 <i>4,1</i>	193 <i>100,0</i>	
8	Adaptability to European standards	1 <i>0,5</i>	33 <i>17,1</i>	71 <i>36,8</i>	55 <i>28,5</i>	21 <i>10,9</i>	12 <i>6,2</i>	193 <i>100,0</i>	

Table 4: Which of the following EU countries have you developed inter-regional co-operation with so far and in which sectors?

s/n	SECTOR OF CO-OPERATION	N.A.	Information	Personnel training	Personnel exchange visits	Research - Surveys	Citizens' services	Sharing experiences- in working methods	Community programs	Other	TOTAL
	COUNTRY	0	1	2	3	4	5	6	7	8	
1	BELGIUM	2 2.0	0.0	0.0	0.0	2 20.0	2 20.0	0.0	0.0	5 50.0	10 5.2
2	DENMARK	0.0	0.0	0.0	0.0	2 16.7	2 16.7	3 25.0	4 33.3	7 58.3	12 6.2
3	GERMANY	0.0	8 21.1	8 21.1	12 31.6	8 21.1	2 5.3	14 36.8	9 23.7	5 13.2	38 19.7
4	GREECE	0.0	7 22.6	1 3.2	10 32.3	3 9.7	0.0	16 51.6	19 61.3	0.0	31 16.1
5	SPAIN	0.0	0.0	0.0	0.0	0.0	0.0	1 25.0	3 75.0	0.0	4 2.1
6	FRANCE	0.0	0.0	0.0	2 18.2	1 9.1	1 9.1	4 36.4	3 27.3	2 18.2	11 5.7
7	ITALY	1 7.7	2 15.4	3 23.1	3 23.1	4 30.8	1 7.7	7 53.8	3 23.1	3 23.1	13 6.7
8	LUXEMBOURG	0.0	1 100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1 0.5
9	THE NETHERLANDS	0.0	3 18.8	1 6.3	3 18.8	4 25.0	1 6.3	5 31.3	2 12.5	4 25.0	16 8.3
10	AUSTRIA	1 6.3	0.0	0.0	0.0	8 50.0	0.0	0.0	2 12.5	5 31.3	16 8.3
11	UNITED KINGDOM	0.0	2 20.0	0.0	0.0	0.0	1 10.0	1 10.0	3 30.0	3 30.0	10 5.2
	TOTAL	4 2.5	23 14.2	13 8.0	30 18.5	32 19.8	10 6.2	51 31.5	48 29.6	34 21.0	162

Finland, Ireland, Portugal, Sweden: No data

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Table 5: Which of the following EU countries and which agencies below have you developed inter-regional co-operation with to date?

s/n	AUTHORITY CO-OPERATION	N.A.	Municipality	Prefecture	Region	Trade Union of local authority	Other	TOTAL
	COUNTRY	0	1	2	3	4	5	
1	BELGIUM	1 10.0	6 60.0	0.0	0.0	2 20.0	1 10.0	10 5.2
2	DENMARK	1 8.3	9 75.0	0.0	0.0	0.0	2 16.7	12 6.2
3	GERMANY	0.0	31 81.6	0.0	0.0	1 2.6	6 15.8	38 19.7
4	GREECE	0.0	25 80.6	1 3.2	1 3.2	4 12.9	0.0	31 16.1
5	SPAIN	0.0	4 100.0	0.0	0.0	0.0	0.0	4 2.1
6	FRANCE	1 9.1	9 81.8	0.0	0.0	0.0	1 9.1	11 5.7
7	ITALY	1 7.7	10 76.9	0.0	0.0	0.0	2 15.4	13 6.7
8	LUXEMBOURG	0.0	1 100.0	0.0	0.0	0.0	0.0	1 0.5
9	THE NETHERLANDS	1 6.3	14 87.5	0.0	0.0	0.0	1 6.3	16 8.3
10	AUSTRIA	0.0	14 87.5	0.0	0.0	0.0	2 12.5	16 8.3
11	UNITED KINGDOM	0.0	9 90.0	0.0	0.0	0.0	1 10.0	10 5.2
	TOTAL	5 3.1	132 81.5	1 0.6	1 0.6	7 4.3	16 9.9	162

Finland, Ireland, Portugal, Sweden: No data

Table 6: Which of the following Balkan countries have you developed inter-regional co-operation with to date and in which sectors?

s/n	FIELD OF CO-OPERATION	N.A.	Information	Personnel training	Research surveys	services Users	Exchange of experience in work methods	Community programs	New technologies	Technical infrastructure	Other	TOTAL
	COUNTRY	0	1	2	3	4	5	6	7	8	9	
1	ALBANIA	1 4.0	10 40.0	3 12.0	5 20.0	3 12.0	12 48.0	17 68.0	1 4.0	1 4.0	0.0	25 13.0
2	BULGARIA	1 2.0	11 22.4	2 4.1	3 6.1	1 2.0	23 46.9	14 28.6	0.0	2 4.1	7 14.3	49 25.4
3	GREECE	0.0	5 16.1	1 3.2	10 32.3	1 3.2	9 29.0	21 67.7	8 25.8	0.0	0.0	31 16.1
4	FORMER YUGOSLAVIA	1 4.2	6 25.0	0.0	0.0	2 8.3	7 29.2	3 12.5	4 16.7	0.0	6 25.0	24 12.4
5	FYR of MACEDONIA	0.0	6 75.0	1 12.5	0.0	0.0	1 12.5	0.0	0.0	0.0	1 12.5	8 4.1
6	ROMANIA	0.0	3 27.3	0.0	0.0	1 9.1	5 45.5	5 45.5	1 9.1	0.0	2 18.2	11 5.7
7	TURKEY	0.0	11 33.3	2 6.1	4 12.1	2 6.1	21 63.6	1 3.0	2 6.1	3 9.1	5 15.2	33 17.1
	TOTAL	3 1.7	52 28.7	9 5.0	22 12.2	10 5.5	78 43.1	61 33.7	16 8.8	6 3.3	21 11.6	181

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Table 7: Which of the following Balkan states and agencies have you developed inter-regional co-operation with to date?

	AUTHORITY CO-OPERATION	N.A.	Municipality	Prefecture	Region	Trade Union of local authority	Other	TOTAL
	COUNTRY	0	1	2	3	4	5	
1	ALBANIA	1 4.0	22 88.0	0.0	1 4.0	1 4.0	0.0	25 13.0
2	BULGARIA	2 4.1	36 73.5	1 2.0	1 2.0	6 12.2	5 10.2	49 25.4
3	GREECE	1 3.2	27 87.1	2 6.5	0.0	2 6.5	0.0	31 16.1
4	FORMER YUGOSLAVIA	2 8.3	19 79.2	0.0	0.0	2 8.3	2 8.3	24 12.4
5	FYR of MACEDONIA	0.0	6 75.0	0.0	1 12.5	1 12.5	0.0	8 4.1
6	ROMANIA	0.0	10 90.9	0.0	1 9.1	0.0	0.0	11 5.7
7	TURKEY	2 6.1	29 87.9	0.0	0.0	2 6.1	0.0	33 17.1
	TOTAL	8 4.4	149 82.3	3 1.7	4 2.2	14 7.7	7 3.9	181

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