

FISCAL DECENTRALIZATION: A PERMANENT CHALLENGE OF LOCAL AUTONOMY IN ALBANIA

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ABSTRACT: *Albania has a relatively short history of decentralization of the local government, albeit rich in ups and downs. The fiscal legislation may be considered the most changeable part of the Albanian legislation. The conflict ridden relationship between the central government and the local one, especially over the last six years, has contributed extensively in this changeability of the legislation. In this work we will try to present some of the changes in the financial legislation that have significantly influenced the autonomy of the local governance, we will analyze the effects on the local finances and as a result also in the realization of the functions of the local governments, functions which derive from the Constitution of the Republic of Albania, the European Charter of Local Self-Government and of course from the responsibilities of Albania in its attempts to join the EU. To draw the conclusions of this work I have extensively made use of the data from the Ministry of Finances of the Republic of Albania and those of the Institute of Statistics. Through a thorough analysis of the fiscal reforms and based on the legislation in power, this work represents the personal point of view of the author.*

KEYWORDS: *fiscal decentralization, local finances, local autonomy, fiscal autonomy, local taxes*

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