



RESEARCH ARTICLE

Compliance with national standards of decentralized public services: The case of preschool services in Albania

Yvonne Hegele¹  | Valbona Karakaçi² | Achim Lang¹  | Arberesha Mushani³

¹Institute of Public Management, Zurich University of Applied Sciences, Zurich, Switzerland

²Universiteti i Shkodres "Luigj Gurakuqi", Shkodër, Shqipëri, Albania

³Independent expert, Tirana, Albania

Correspondence

Yvonne Hegele.
Email: hegl@zhaw.ch

Abstract

In the last few decades, many Central and Eastern European Countries (CEEC) engaged in processes of decentralization in which responsibilities of the national government are transferred to local government units (LGUs). Yet, it is still unclear under what circumstances LGUs in recently decentralized CEEC can deliver high-quality public services. We put forward the argument that political, administrative, and financial factors related to characteristics of the LGU, and their implementation structure can explain the quality of public services, understood here as the compliance with standards set at central government level. We deduce a set of hypotheses which we test with the example of the public service of preschool education in Albania using generalized linear mixed-effects models. We find that albeit fiscal factors are important, the relation between money and high-quality public services is more complex than previously assumed. We find that private donations can undermine central government standards, and that requirements not involving financial costs are more likely implemented. Further, political, and administrative factors, although previously often neglected, play an important role. We find that outsourcing certain functions leads to higher service quality, and that urban areas provide higher quality services indicating that political actors need to focus on rural areas.

KEYWORDS

Albania, CEEC, compliance, decentralization, public service quality

1 | INTRODUCTION

In the last few decades, many Central and Eastern European Countries (CEEC) have engaged in processes of decentralization in which powers and responsibilities of the national government are transferred to local government units (LGUs) (see e.g. Plaček et al., 2020; Smoke, 2015b). One aim of decentralization in CEEC, next to

democratization and adhering to EU accession criteria (Baun & Marek, 2006; Isufaj, 2014; Nemec, 2018), is to improve public services through citizen-centered delivery. In fact, the provision of public services according to regional and local preferences is one of the strongest arguments in favor of decentralization (De Vries, 2000, p. 197). Yet, it is still unclear under which circumstances LGUs in recently decentralized CEEC can deliver high-quality public services

This is an open access article under the terms of the [Creative Commons Attribution-NonCommercial-NoDerivs](https://creativecommons.org/licenses/by-nc-nd/4.0/) License, which permits use and distribution in any medium, provided the original work is properly cited, the use is non-commercial and no modifications or adaptations are made.

© 2024 The Authors. Public Administration and Development published by John Wiley & Sons Ltd.

for which they are newly responsible. Using compliance with national standards of public service delivery as an indicator for public service quality, this paper asks under which circumstances local governments under the condition of decentralization can provide high quality public services.

By answering this question for the case of preschool education in Albania, we aim to contribute to literature on the effects of decentralization in CEEC. While there is a vast and comparative literature on fiscal decentralization and how it relates to certain outcomes—mostly macroeconomic—(Plaček et al., 2020; Uchi-mura, 2012), there is significantly less literature that deals with the political and administrative dimension of decentralization. Further, while it has been demonstrated that the effects of decentralization as well as public service delivery under the condition of decentralization can vary across LGUs within one country, a systematic explanation of this variation still stands out. Our main argument is that this variation can be explained by political, administrative, and financial factors related to characteristics of the LGU and their implementation structure. Therefore, we try to identify circumstances under which LGUs can provide a higher quality of public services for which they are responsible after decentralization. In doing so, we, first, provide a framework and deduce a set of hypotheses to jointly analyze political, administrative, and financial aspects of decentralization, and second, contribute to a better understanding of why the effects of decentralization are often contradictory or inconclusive, namely depending on the implementation of public services by LGUs.

Our analysis is based on the case of pre-school education in Albania. According to the Local Autonomy Index (Ladner et al., 2022; 2016), Albanian municipalities overall have a medium level of autonomy and a medium level of policy scope and effective policy discretion in the area of preschool education (0.5 out of 1 for each dimension). Thus, Albania represents a case of intermediate levels of local autonomy. Further, decentralization in Albania is a recent and still-ongoing process, adding relevance to our investigation. Starting in the 1990s, Albania undertook several reforms to decentralize authority towards the local level (Muharremi et al., 2021), which are still ongoing. Among other services, Albanian preschool education de jure has become an inherent responsibility of LGUs. They are responsible for the management and administration, as well as the financing. At the same time, the national government can still issue binding nation-wide standards for preschool education, with which the LGUs must comply. While we view compliance with national standards as a first step to provide high-quality public service, this compliance in a situation of recent decentralization and scarce finances can be difficult for LGUs to achieve. Thus, we investigate under which circumstances LGUs can achieve high compliance with these standards.

In a national survey, data on compliance with 12 predefined legal standards in the preschool education sector were collected from all 61 LGUs in Albania. We tested our hypotheses using generalized linear mixed-effects models (GLMERs) and found that compliance varies greatly between LGUs. We find that albeit fiscal factors are

important, the relation between money and high-quality public services is more complex than previously assumed. We find that private donations can undermine central government standards, and that requirements not involving financial costs are more likely implemented. Further, political, and administrative factors, although previously often neglected, play an important role. We find that outsourcing certain functions leads to higher service quality, and that urban areas provide higher quality services indicating that political actors need to focus on rural areas.

2 | LITERATURE REVIEW

Decentralization is probably one of the pronounced global trends of the last decades (Smoke, 2015a). It is here understood as the transfer of powers, authority, responsibility,¹ or resources away from a national government to lower-tier governments (Schneider, 2003, p. 35). The recipient of these powers could either be regional governments or LGUs (Bolleyer & Thorlakson, 2012; Ladner et al., 2016; Marks et al., 2008).

The reasons for decentralizing powers are manifold. In the 1980s, it was seen as means to circumvent inefficient national governments, especially in post-communist countries or developing countries. Decentralization became a component of many democratization efforts. LGUs demanded more responsibility and autonomy. Many national governments, in turn, relied on the support of LGUs for their policies to succeed, and they agreed, therefore, to transfer some of their powers downwards (Schneider, 2003, pp. 33–34). Decentralization is also “expected to enhance the coverage, quality, and efficiency of service provision through better governance and resource allocation” (Smoke, 2015a, p. 98).

Decentralization is usually conceptualized in three dimensions: political (or legislative/regulatory), administrative, and fiscal decentralization (e.g. Bolleyer & Thorlakson, 2012; Schneider, 2003). *Political decentralization* refers to decision-making powers of the lower-tier governments. Political decentralization is greater the more policymaking power and authority the lower-level governments have. This involves the power and authority to take decisions, ratify laws and regulations, and set standards within their jurisdiction (Bolleyer & Thorlakson, 2012, pp. 573–74). *Administrative decentralization* refers to the management and provision of public goods and services by lower tier governments free of control from the national government (Schneider, 2003, pp. 37–38). *Fiscal decentralization* relates to expenditures and revenues of lower-tier governments (Schneider, 2003, pp. 36–37; Bolleyer & Thorlakson, 2012, pp. 573–74).

The main question in literature and practice of decentralization in general and in CEEC is whether decentralization has positive or

¹For the purpose of this research, we do not further distinguish between the concepts of power, authority and responsibility and use them interchangeably. Further, we do not include the meaning of the term decentralization in the context of New Public Management reforms.

negative consequences on a wide number of expected outcomes (see e.g. Smoke, 2015a for an overview of outcomes). To address this question, two kinds of variations are exploited. First, research has engaged in cross-country comparison of levels of decentralization and various country-wide outcomes. Most of this research focuses on fiscal decentralization—in the tradition of and by using concepts of fiscal federalism (Plaček et al., 2020; Uchimura, 2012). This research usually focuses on the effects of decentralization on macroeconomic outcomes and relies the International Monetary Fund (IMF) Government Finance Statistics (GFS) to measure decentralization (e.g. De Mello, 2004; Saavedra, 2010). While this approach has its merits, there are certain criticisms regarding data and methods (Plaček et al., 2020, p. 19:10). Further, these approaches leave open many questions about non-economic effects of decentralization as well as the effects on the meso- or micro level.

A second variation in outcomes of decentralization is within a decentralized country. This literature also takes the political and administrative dimension of decentralization more systematically into account. It has been demonstrated for various countries, that public service delivery can vary across regions or LGUs. Galiani et al. (2008) show that decentralization can lead to increased public service provision at the expense of neglecting poor communities. Aslam and Yilmaz (2011) provide evidence that public service delivery is not uniform across LGUs in Pakistan. Balaguer et al. (2010) demonstrate that there is usually an efficiency gain with decentralization which however cannot be realized in all LGUs. In an attempt to explain these differences, Faozanudin (2014) refer to political leadership and Milio (2007) attributes it to differences in administrative capacity. Based on these findings we argue that differences in the quality of public service delivery across LGUs can be explained by political, administrative, and financial factors related to the implementation structure within the LGUs. Which political, administrative, and financial factors regarding implementation within the LGUs can explain a higher quality of public service provision? Depending on the implementation of a public service on the local level, we argue, the quality of service provision can be better or worse and thus decentralization can be viewed as having positive or negative effects. This approach might be able to provide a better understanding of why much of the literature on the effects of decentralization is contradictory or inconclusive, because the situation and actions of LGUs when implementing public services matters.

The quality of public service delivery is a blurry concept and difficult to measure (Ler, 2017; Pollitt, 2009). At a minimum, the quality of public services can be defined as compliance with pre-defined legal standards (Amin & Zaidi, 2008). Compliance refers to “acting in accordance with established laws, regulations, protocols, standards, and specifications” (Tarantino, 2008, p. 21). Literature has shown that decentralization and decentralized decision-making during implementation have an impact on compliance with national, international, or supranational rules (Lele, 2018; Reuter, 2019; Zhelyazkova & Thomann, 2022). Grady et al. (2016) have already identified poor compliance with national legislation as one factor that impedes successful public service provision after decentralization.

Based thereon, we ask under which circumstances Albanian LGUs implement decentralized services according to the legal requirements defined at the national level.

3 | DECENTRALIZATION IN ALBANIA

Before developing political, administrative, and financial factors that could influence the compliance and thus quality of service delivery by LGUs, the context of decentralization in Albania in general and pre-school education in particular will be described.

3.1 | Decentralization reforms in Albania

Until the early 1990s, Albania experienced several decades of centralization at the expense of regional and local levels. In this system, LGUs were primarily responsible for the implementation and execution of tasks on behalf of the national government, with very little authority over policymaking or finances. In the 1990's, together with a process of democratization, several reforms to decentralize authority towards the local level were undertaken, which are still ongoing. These reforms towards decentralization brought with them promises of more accountability, transparency, citizen participation, and further democratization (Isufaj, 2014). In the late 1990s, decentralization was included as a principle in the new Albanian constitution (Guga, 2018, p. 477). The country also signed the European Charta for Local Autonomy (Hoxha & Gurraj, 2001, p. 199; Brahimì et al., 2013, p. 525) and a decentralization strategy was adopted by the national government (Brahimi et al., 2013, p. 526). In 2000, the act on organization and functioning of the local governments (OFLG)² came into force, which regulates the electoral rules for mayors and municipal councils, defines the territorial structure of LGUs, and strengthens the authority of the LGUs by granting them several rights such as the right to governance, fiscal autonomy, and economic development. When it was introduced, this law assigned to the LGUs some responsibilities with full decision-making powers, some responsibilities to be shared with the national government, and some responsibilities that were delegated to them by the national government to be implemented according to central-level regulations. In particular, LGUs were assigned the right to collect local taxes or user charges, and collect loans (Brahimi et al., 2013; Hoxha & Gurraj, 2001).

In the 2000s, decentralization reforms mainly aimed at improving the financial situation of LGUs. Despite the right to collect some local taxes, LGUs relied heavily on conditional transfers from the national level. The amounts of these transfers as well as their purpose were determined by the national government. However, after a reform in 2002, many conditional transfers were converted into unconditional transfers for which the LGUs were given spending

²Law No. 8652 of 30 July 2000

autonomy. Later, the tax base of LGUs was extended to include further taxes and tariffs, such as property taxes (Guga, 2018, pp. 479–480). In the course of the EU accession process, it became necessary to further strengthen the decentralization and autonomy of LGUs. In 2015, the Albanian parliament passed a new law on local self-government (LSGL, 2015)³ and a new law on local self-government finance (LGFL, 2017),⁴ which both lay the foundation for stronger responsibilities of LGUs in Albania (Levitas & Stafa, 2020, p. 6).

3.2 | Decentralization of preschool education

With the introduction of the LSGL, preschool education was defined as the responsibility of the LGUs (Levitas & Stafa, 2020). Accordingly, managing preschool education has been the sole responsibility of the LGUs since 2016, in theory at least. As a result, for most municipalities, the costs for preschools are the highest expenditure in the local budget (Levitas & Stafa, 2020, p. 4). This includes the following topic areas: teaching and didactic materials, transportation and infrastructure, human resources including hiring of teachers and support staff as well as the appointment of headmasters, food provision and hygiene, and safety and security.

In contrast to the high authority and autonomy in administration, the national government still is the main decision-maker. In particular, the setting of standards and oversight are still largely performed by the national government. For these standards, the LGUs are accountable to the national government, which usually meets its oversight responsibility through regionally deconcentrated agencies (Bruni & Cela, 2019). This incomplete decentralization on the political dimension creates many problems which have an influence on the quality of education (Garunja, 2018). Among others, albeit national government oversight responsibilities are written into the respective laws, it is unclear whether they constitutionally have the right to carry them out since preschool education was assigned to the LGUs as exclusive competence.

Similarly, Albanian LGUs still rely heavily on national transfers to finance preschool education. Since 2019, the LGUs receive so-called “unconditional sectoral transfers” which are based to 40% on the number of LGU staff employed and to 60% on the number of students enrolled (Levitas & Stafa, 2020, p. 19). However, these unconditional sectoral transfers, which in some LGUs led to an increase in the preschool budget, were only made possible by redirecting some of the money LGUs receive as general unconditional transfers into preschool education, and not through an increase in spending from the national government (Levitas & Stafa, 2020, p. 20). In addition to unconditional transfers for preschool education, LGUs use their own funds or rely on donations to finance preschool education.

4 | THEORY AND HYPOTHESES

Based on the three dimensions of decentralization (political, administrative, financial), in the following we develop hypotheses about factors that could explain a variation of the quality of public services across LGUs, more specifically the compliance with national standards. We rely on literature on decentralization as well as on compliance.

4.1 | Polit-geographical factors

Decentralization in Albania is a symmetric process meaning that all LGUs are subject to the same rights and responsibilities. Together with the dominance of the Socialist Party of Albania, who governs in all but one municipality, political factors such as power allocation and party politics cannot explain variance in compliance with national standards. However, implementation research has shown that polit-geographical factor can have an influence on implementation and compliance.

4.1.1 | Geographical distance to central government institutions

The geographical distance between a LGU and national government institutions could influence compliance. Dragoş et al. (2012) show that being close to the political center increases compliance because the LGUs imitate their administrative structure and are more attractive for highly educated employees due to closeness to the capital. Further, Saltmarshe (2000) showed that the ability of LGUs to engage with the national government is of crucial importance. The closer they are located to each other, the easier it is for representatives to meet, exchange information, and become involved with each other. That is why in many federal states, the sub-states maintain offices at the capital (Hegele, 2018; Mueller, 2014). In Albania, four deconcentrated agencies are responsible for representing the central government and monitoring LGUs. A smaller geographical distance between the deconcentrated central government institutions and the LGUs could increase compliance.

H1 *Compliance with national standards is higher, the closer a LGU is located to national government institutions.*

4.1.2 | Urban-rural divide

Whether a LGU is rural or urban could influence compliance with national standards. In urban areas, more families with children live near each other. Therefore, the need for more preschools arises and with it the demand for more high-quality preschool education. Further, for cultural and economic reasons, the role of women as part of the workforce to contribute to the family income is more

³LSGL, 2015. Law no. 139/2015 on Local Self-Government in Albania.

⁴LGFL, 2017. Law no. 68/2017 on Local Self-Government Finance in Albania.

emancipated in urban areas (Çaro et al., 2012). Additionally, urban administrations have more employees and thus can install more specialized personnel responsible for preschool education (Dragoş et al., 2012). This can be expected to lead to better compliance with national standards in urban areas.

H2 *Compliance with national standards is higher in urban areas than in rural areas.*

4.2 | Administrative factors

Following administrative decentralization, local governments are free to decide on the structure and organization of their administration. We expect that the structure of the administration and related administrative factors can have an influence on compliance with national standards.

4.2.1 | Administrative capacity

Administrative capacity is an important aspect of decentralization in CEEC (Yadama & Dauti, 2010) and has already been linked with differences in regional performance (e.g. Milio, 2007). In the context of Albanian preschool education, each LGU is responsible for managing several kindergartens. If the number of kindergartens per LGU increases, it is likely that the administrative unit within each LGU has fewer resources to spend on individual preschools, which means a lower administrative capacity per kindergarten. Thus, it can be assumed that compliance with national standards is lower in LGUs with a higher number of kindergartens because of a lack of administrative capacity.

H3 *Compliance with national standards is higher, the higher the administrative capacity of an LGU.*

4.2.2 | Outsourcing

Decentralized LGUs usually determine their institutional and organizational layout themselves, including the decision to outsource the implementation of tasks. Outsourcing is associated with increased public service quality due to cost-savings and economies of scale (e.g. Jerch et al., 2017). To assist implementation, some Albanian LGUs have outsourced some of their responsibility to a so-called “economic education center” (EEC). The EEC manages the building infrastructure, provision of food, as well as the facility management, security, and cleaning of local pre-schools. Because the EEC is directly responsible for some of the standards and can benefit from its experience and economies of scale, the establishment of such an EEC can be expected to improve a LGU’s compliance with preschool education standards. Further, the EEC allows the LGU administration to focus on ensuring compliance with other standards that do not lie within the responsibility of the EEC.

H4 *Compliance with national standards is higher if an LGU has, at least partly, outsourced the management of the public service.*

4.2.3 | Accountability towards citizens

Brinkerhoff and Wetterberg (2016) show that decentralization is linked with accountability demands from citizens which can contribute to improved public services. In the context of preschool education, accountability is most likely demanded by parents. We assume that the call for accountability is affected by the education level of the parents themselves, since Deininger and Mpuga (2005) show that relevant knowledge of citizens can improve public accountability. The parents of kindergarten children who have a higher level of education may be more likely to demand high standards for their children, such as a good kindergarten. We assume, therefore, that the higher the share of parents with a higher-education background, the stronger the demand for high-quality education from the LGU, which ultimately improves the quality of preschool education and thus compliance with national standards.

H5 *Compliance with national standards is higher if citizens raise demands for accountability.*

4.2.4 | Private competition

The existence of private public service providers might lead to competition within the LGU and thus increase the pressure on the LGU to offer high-quality services which comply with national standards. Competition effects between public and private schools have been widely studied in the literature indicating positive effects of private school competitors on the quality of public schools (Dee, 1998), on public school performance (Thapa, 2013), and on the efficiency of public schools (Misra et al., 2012). Thus, we expect that the more private kindergartens exist in a LGU, the higher the compliance of the public kindergartens.

H6 *Compliance with national regulations is higher if private public service providers exist in a LGU.*

4.3 | Financial factors

A final group of factors refers to the financial situation of LGUs. The financial means available to a LGU generally or for a specific public service is an important factor in determining whether legal requirements and standards can be fulfilled (Bisogno et al., 2019; Van Der Kamp et al., 2017). As explained above, the financing of preschool education is decentralized in Albania. However, LGUs rely on unconditional sectoral transfers from the national level to finance their kindergartens. The funds they receive are supplemented by their own funds as well as private donations.

4.3.1 | Central government transfers

To comply with national standards and provide high-quality public services, governments need sufficient financial means (Ablo & Reinikka, 1998; Bisogno et al., 2019). To fulfill the redistribution function according to Musgrave (1994, p. 10f.), especially LGUs with low own income need to receive some kind of transfers to be put in the position to fulfill their public service provision function. Thus, in most decentralized settings, LGUs usually rely to a significant amount on central government transfers. In Albania, LGUs receive unconditional sectoral transfers based on their previous need for teaching personnel and on the number of pupils registered in their kindergartens. The most important problem seems to be that the funds allocated and collected are not sufficient for improving the public service in all aspects (Levitas & Stafa, 2020). We assume that the more a LGU receives in unconditional sectoral transfers, the higher its compliance with national regulations.

H7 *Compliance with national regulations is higher, the more central government transfers a LGU receives.*

4.3.2 | Donations

Donations from private or non-profit organization are a common means to finance public service delivery in a situation of scarce resources, especially in developing countries. However, donations influence the quality of public services and especially the compliance with national standards because they divert LGUs' attention away from national standards and more towards the agenda of the donors (Deleye & Lang, 2014; Van Der Kamp et al., 2017). In Albania, LGUs rely, to varying degrees, on general or specific fiscal support as well as material donations to support the provision of preschool education. Based on the literature, we assume that donations decrease compliance with national standards.

H8 *Compliance with national regulations is lower if LGUs receive donations from private donors.*

4.3.3 | Financial implications of regulation

Under the condition of a tense financial situation, as we find in Albania regarding preschool education, a final, straightforward strategy of local governments could be to preferably implement national standards that do not involve financial expenditures. In general, communities try to avoid or reduce tasks (imposed on them) that involve financial implications either by neglecting or by outsourcing them (if possible) to more specialized organizations (Bel et al., 2016; Hefetz & Warner, 2012). We thus assume that regulations that involve financial costs are more difficult for LGUs to comply with than mere process regulations or regulations which do not involve financial costs.

H9 *Compliance with national standards is higher when they do not involve financial costs.*

5 | RESEARCH DESIGN AND METHODS

The research design of this study is a quantitative cross-section analysis of all 61 Albanian LGUs. Albania was chosen as a case of intermediate decentralization in CEEC. According to the Local Autonomy Index (Ladner et al., 2022; 2016), Albanian municipalities overall have a medium level of autonomy and a medium level of policy scope and effective policy discretion in the area of preschool education (0.5 out of 1 for each dimension). Thus, Albania represents a case of intermediate levels of local autonomy, albite with a lower effective local policy scope in preschool education (see Table 1). Additionally, decentralization in Albania is symmetrical giving the same rights and responsibilities to all municipalities, thus naturally controlling for variation due to asymmetrical decentralization which can be found in many other CEEC. Further, decentralization in Albania is a recent and still-ongoing process, adding relevance to our investigation (see above). Preschool education as a policy sector was chosen due to its high relevance for local budgets after decentralization. Due to the transfer of financial resources from the national budget to local budgets in the course of decentralization in this sector, preschool education expenditure are the highest budget item in most municipalities (Levitas & Stafa, 2020, p. 4).

The dependent variable is the compliance with national standards regarding the provision of preschool services. Since there was no encompassing list of standards available, the first step in the data collection process was to identify the most important national standards for preschool education. These were identified using expert assessments by staff in the national ministry of education, sport, and youth (MoESY) and the national ministry of health and social protection (MoHSP). A detailed list of 12 standards established through this method, their content, legal source, and operationalization during data collection can be found in the appendix (Appendix 1). These standards define group sizes, contain requirements for support teachers, psychologists and social workers, the training, quality, and hiring of teachers, as well as architectural specifications (size of area, facilities), menus served to children, and accountability structures (kindergarten board, parent council).

Data on compliance with these national standards was collected in a national survey. All 61 Albanian LGUs were asked to indicate if they comply with these standards. Compliance was measured for each standard on a binary scale [0,1]. Using the local expertise from the staff of the "Bashki te Forta: Strong Municipalities Project",⁵ the survey was translated into Albanian and sent to the LGUs. The questionnaires were completed in the first quarter of 2020 by LGU representatives with the assistance of project members. Except for one, all LGUs returned the completed questionnaire, equaling a

⁵<https://www.helvetas.org/en/switzerland/what-we-do/how-we-work/our-projects/europe/albania/albania-bashki-te-forta>

TABLE 1 Local autonomy index CEEC and Albania.

	LAI 2020	LAI effective policy scope preschool education	LAI discretion preschool education
Albania	20.50	0.50	0.50
Mean of CEEC	19.99	0.79	0.66
Median of CEEC	20.50	1.00	0.50

response rate of 98%. Some questionnaires were not fully or properly completed, thus leading to some item non-response. To close gaps and update some of the data, a follow-up questionnaire was distributed by the same procedure in the first quarter of 2021.

The independent variables were also collected in the same surveys or extracted or calculated from freely available sources. The concept specification, operationalization, and data sources of the independent variables are reported in the appendix (Appendix 2).

For the analysis, data was stacked enlarging the number of cases from 61 to 732 (12 standards \times 61 LGUs = 732 cases). The increase of cases is needed to detect small effects in the data and to have enough statistical power. With a coefficient of determination of $R^2 = 0.04$, which is a small effect according to Cohen (2013), a statistical power of 0.9, and a significance level of $\alpha = 0.05$, a sample size of $n = 485$ would be needed for a significant overall model with 9 predictors.

According to the answers, 302 of the 732 standards (41%) are complied with in the LGUs, 282 (39%) are not complied with, and 148 (20%) datapoints are missing. For the following description of the dependent variable, we omitted the missing datapoints and calculated compliance rates for each LGU and each standard based on the existing data. The compliance rate per LGU varies between 0.18 (18% of the standards are complied with in the LGU of Tepelenë and Memaliaj) and 1 (all standards are complied with in the LGU of Sarandë), with a mean of 0.53 and a standard deviation of 0.18. Overall, LGUs stated that they comply with half of the national standards. The distribution of the compliance rate thereby varies throughout the country and no clear geographical pattern can be detected at first glance (see Figure 1).

The compliance rate per standard also varies significantly (Table 2). The highest compliance rates occur for the standards "Hiring Portal Teachers for Albania" (92% of the LGUs comply with this standard), "Children per group" (72% compliance) and "Menu for children" (71% compliance). On the other hand, some standards are only complied with by a small fraction of the LGUs, such as "Architectural facilities" (10% compliance), "Qualification of teachers" (17% compliance), and "Training for teachers" (20% compliance).

Especially the high compliance rate for the "Portal Teachers of Albania" standard already indicates that standards that do not involve financial costs for the LGUs are more likely to be complied with. Furthermore, the high compliance rate for the standard "Children per group" might reflect the fact that LGUs receive the unconditional sectoral transfers from the national government partly based on the number of teachers employed. The higher the number of teachers employed, the more groups can be opened (usually one

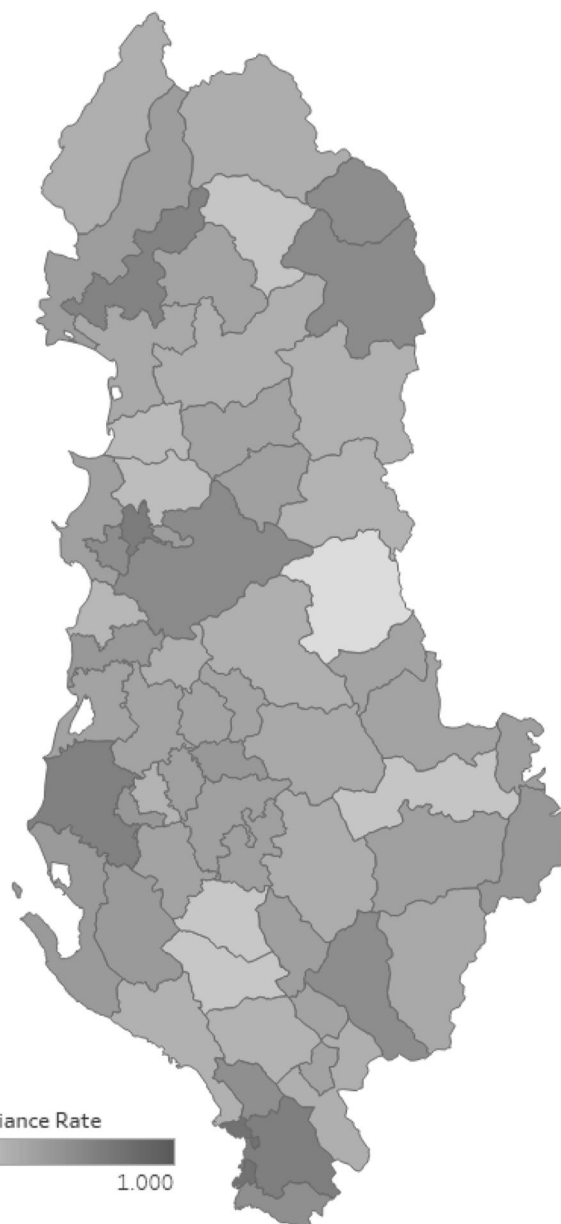


FIGURE 1 Compliance rate per LGU.

teacher in one group) and the more likely this standard is fulfilled. On the other hand, appropriate architectural facilities are the standard with which LGUs are least compliant. Architectural infrastructure require funds as well as long-term planning. In a service only recently decentralized, this probably does not reflect an immediate

TABLE 2 Compliance rate per standard.

Standard	Compliant municipalities	N	Compliance rate
S1: Children per group	41	57	0.72
S2: Psychologist—Children ratio	28	53	0.53
S3: Social worker—Children ratio	34	58	0.59
S4: Support teachers for children with disabilities	19	47	0.40
S5: Training for teachers in preschool education	8	39	0.20
S6: Qualification of teachers	4	24	0.17
S7: Indoor area	18	37	0.49
S8: Menu for children	25	35	0.71
S9: Architectural facilities for children with special needs	6	58	0.10
S10: Kindergarten board	30	59	0.51
S11: Parent council	35	58	0.60
S12: Portal teachers for Albania	54	59	0.92

TABLE 3 Descriptive statistics of predictors.

Predictor	Scale	Mean	SD	N
Distance to central government institution	Kilometers	85.61	60.88	61
Administrative capacity (number of public preschools per 100 population)	Number	9.61	5.00	60
Accountability (share parents with higher education)	Percentage	37.46	9.33	61
Private preschools (ratio)	Percentage	0.05	0.09	59
Central government transfers (per child enrolled in kindergarten)	Albanian currency	90.29	46.79	60
Binary predictors		% Yes	% No	N
Urban	Yes/No	25	75	61
Outsourcing (existence of EEC)	Yes/No	16	84	61
Donations (received per municipality)	Yes/No	36	64	56
Financial implications of regulation	Yes/No	75	25	61

shortcoming of the LGUs, but it does point to the state of the architectural facilities inherited from when preschool education and buildings were managed at the national level. Similarly, it can be assumed that most of the teaching personnel was employed by the national government and its agencies prior to decentralization. The LGUs therefore only have limited influence on the qualifications of their teachers. Further, organizing regular training for teachers continues to be the responsibility of the deconcentrated national agencies.⁶ Therefore, in those three areas, LGUs have either inherited non-compliant structures or are not in a position to improve compliance.

Table 3 presents descriptive statistics for the predictors used in the analysis. The poli-geographical factors show that LGUs are rather far away from their deconcentrated national regulating agencies; on average, the distance is 85 km. Only 25% of the kindergartens are in

urban areas, while the rest are located in less populated rural areas. Regarding the administrative structure, Albanian LGUs have on average one public preschool per 1000 inhabitants within their territory. However, this varies greatly between municipalities. The range is between 0.1 and 2.4 preschools per 1000 inhabitants, which also indicates variance in the size of the kindergartens. About 5% of the preschools are private. In more than half of the LGUs, there are no private preschools while in one LGU, Cerrik, one third of all preschools are private. Only 16% have a specialized outsourced structure for the management of the education branch. About one third of the population of the LGUs attended secondary education. Unconditional sectoral transfers per child and per kindergarten show rather a high variance, indicating that kindergarten sizes and attendance rates vary between LGUs. Donations are made in about one third of all LGUs.

Data analysis was carried out using generalized linear mixed-effects models (GLMERs) available in the R programming environment within the *lme4* package (Bates et al., 2014). Such models provide an efficient means to model item level responses clustered

⁶Official Journal of the Albanian Republic, No. 26, 2019, page 945–950.

within groups. As in every linear model, a GLMER describes the relationship between a response variable and certain predictors. In a mixed effects model, at least one of these predictors is categorical and represents a grouping factor. In this study, the 61 LGUs were treated as a grouping factor. Random effects can be interpreted as representing unobserved random variables within the grouping factors such as an unobserved tendency for compliance in the LGU or some other cultural factors. The GLMER estimates intercepts for each level of the grouping factor, in this case for every LGU. Models also estimate the between-LGU variance, which can be interpreted as the residual variability that cannot be attributed to either the grouping factor or the fixed effects. In contrast, fixed effects represent the average (estimated) relationship between response and

predictors. This provides the average or population model. In this analysis, we model the effects using the binomial family of the GLMER framework to determine the effect of the predictors on the probability that the LGU complies with a certain standard.

6 | EMPIRICAL ANALYSIS

Our research focused on the relationship between several predictors and the compliance with national standards regarding preschools. Table 4 shows the results of the analysis of compliance with national standards in preschool education using GLMER models. Models one to three show the predictors separately according to the political,

TABLE 4 Results of statistical models.

	Dependent variable				
	Compliance				
	(1)	(2)	(3)	(4)	(5)
Urban areas	0.654*** (0.222)			0.530** (0.240)	
Distance central government institutions	0.043 (0.071)				
Administrative capacity (No. of kindergartens)		-0.179 (0.172)			
Outsourcing (EEC)		0.563* (0.313)		0.329 (0.285)	0.589** (0.269)
Accountability (education parents)		-0.039 (0.117)			
Private competition (No. of private kindergartens)		0.018 (0.132)			
Central government transfers			0.158 (0.101)		
Donations			-0.354* (0.206)	-0.388** (0.195)	-0.336* (0.201)
Financial implications of regulation			-1.056*** (0.204)	-1.042*** (0.204)	-1.043*** (0.204)
Constant	-0.254 (0.314)	0.062 (0.451)	1.580*** (0.434)	0.808*** (0.199)	0.884*** (0.201)
Observations	584	584	544	544	544
Log likelihood	-399.146	-399.585	-358.757	-355.234	-357.612
Akaike inf. Crit.	806.292	811.170	727.514	722.467	725.224
Bayesian inf. Crit.	823.772	837.390	749.009	748.261	746.719
Num. Groups: Municipality	60	60	56	56	56
Var: Municipality (intercept)	0.06	0.06	0.11	0.04	0.08

Note: Significant predictors are in bold.

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

administrative, and financial factors. Model four integrates all predictors found to be statistically significant in Models 1–3. In Model 5 the variable “Urban” was left out because a high collinearity between urban and outsourcing was detected, most urban municipalities have a specialized outsourced structure for preschool education.

Regarding the polit-geographical factors, the binary variable *Urban* has a positive and significant effect on the likelihood of LGU compliance with national standards that is robust across model specifications. Urban LGUs are more likely to comply than rural ones. The *distance to central government institutions* does not significantly alter the compliance of LGUs.

From the predictors related to the administrative and preschool structure within the LGU, only *outsourcing* has a significant positive effect. The outsourcing of management functions for preschool education thus contributes to the compliance with national standards. A higher number of public preschools within the LGU leads to lower compliance, meaning that *administrative capacity* (defined as lower number of preschools) has a positive, albeit not significant effect on compliance. Similarly, the existence of private kindergartens has a positive, but not significant effect. The *higher demand for accountability* (operationalized as higher education of parents), contrary to our expectations, has a negative effect on compliance, which however is not significant.

Regarding the financial predictors, *donations* by private donors have a significant negative effect on compliance. Similarly, standards that involve substantial *financial costs* for the LGU are less likely to be implemented by Albanian LGUs, a finding that is also statistically significant. A case in point are the architectural facilities for children with special needs which involve the highest investments and have the lowest compliance rate. Both findings are robust across model specifications. The amount of *financial transfers from the central level alone*, however, does not increase compliance with national standards.

7 | DISCUSSION

With this study, we found that local compliance in providing preschool education services in Albania is influenced by polit-geographical, administrative, and financial factors (Table 5). Our

results almost all point in the direction assumed, supporting the argument that not only financial, but also political and administrative factors need to be considered if one wants to understand the effects of decentralization on local public service delivery.

Nonetheless, financial factors play an important role, albeit in a more complex way than previously expected. In Albanian preschool education, at the current financial level, it is not the pure amount of central government transfers from the national to the local level that influence compliance with national standards. This might either indicate that money alone does not solve the problems regarding the provision of preschool education as a public service or that the overall budget is too small to improve compliance. Supporting the latter argument, we found a significant negative effect of private donations for compliance with national standards. This can be explained by the (at least partial) incongruence between central government standards and donor priorities. If local governments are dependent on private donations to provide preschool education services because their budget does not suffice to finance this public service, central government standards are undermined. Thus, the need to provide local governments with adequate financial resources is emphasized. This is further evidenced by our finding that compliance is significantly higher for standards that do not involve financial costs to be implemented. Thus, budget indeed matters for providing high-quality public services, especially in a decentralized context (Ablo & Reinikka, 1998). This study re-emphasizes and expands earlier findings on the importance of adequate financial resources of LGUs (Alderman, 2002; Makreshanska-Mladenovska & Petrevski, 2021; Pelari, 2019; Rodriguez-Pose & Krøijer, 2009).

Regarding polit-geographical factors, urban LGUs were found to be more likely to comply with national standards. This is in line with similar findings in other CEEC (e.g. Dragoş et al., 2012) and emphasizes that rural communities need more attention and support, especially when they are confronted with new, decentralized tasks and responsibilities.

In terms of administrative factors, outsourcing of management functions might be a solution for local governments to increase the quality of their public services. Our findings on administrative capacity and private competition at least point in the direction of improving public service delivery as well. Our study thus shows that more focus

Hypothesis	Area of decentralization	Result
H1: Distance to central government institutions	Polit-geographical	✓ (n.s.)
H2: Urban-rural divide	Polit-geographical	✓ (significant)
H3: Administrative capacity	Administration	✓ (n.s.)
H4: Outsourcing	Administration	✓ (significant)
H5: Accountability towards citizens	Administration	✗ (n.s.)
H6: Private competition	Administration	✓ (n.s.)
H7: Central government transfers	Financial	✓ (n.s.)
H8: Donations	Financial	✓ (significant)
H9: Financial implications of regulations	Financial	✓ (significant)

TABLE 5 Results of hypotheses tests.

needs to be put on the administrative structure of LGUs including administrative capacity as well as outsourcing and privatization decisions during decentralization, in order to understand better what makes decentralized public service delivery work (Smoke, 2015b).

Our findings for Albania thus are in line with and complement previous findings in literature, for Albania as well as other CEEC. Existing literature mainly focuses on fiscal decentralization (e.g. Plaček et al., 2020; Uchimura, 2012), less has been written about other dimensions of decentralization, namely political and administrative decentralization. Further, it has been observed, that the quality of the provision of decentralized public services varies between LGUs (Aslam & Yilmaz, 2011; Balaguer-Coll et al., 2010; Galiani et al., 2008). Based on these observations, we develop an encompassing framework of political, administrative, and financial factors related to LGUs and their implementation structure. The underlying mechanisms can provide a starting point for systematically researching the role of local context factors for the quality of decentralized public service provision.

While the group of CEEC itself is rather heterogenous in terms of political contexts and the state as well as the process of decentralization, we argue that our general findings have broader implications. One of the most important theoretical arguments in favor of decentralizing power and authority from the central government to lower-tier governments is the assumed improvement of public services through citizen-centered service provision. Yet, it is still ambiguous empirically whether decentralization indeed leads to better public services. With this study, we show that local context factors, such as the financial endowment as well as geo-political and administrative factors which are specific to any LGU can partly explain the diverse findings in literature. Decentralization creates or increases the differences between LGUs by providing them with more autonomy and discretion to tailor public services to local preferences and needs. By systematically acknowledging the differences between LGUs in terms of the political and administrative system and financial endowments, it becomes clear that decentralization might improve public service provision in some LGUs but might have no or even a negative effect in other LGUs. Thus, to understand the effect of decentralization on public service provision, we must look beyond the nation state and acknowledge the different implementation structures for decentralized public services in LGUs. Our study provides a first step into this direction and offers a framework of analysis that can empirically be tested in other CEEC as well.

8 | CONCLUSION

This study empirically investigates the theoretical argument that decentralization leads to better public service delivery. Previous literature on the effects of decentralization is ambiguous, some studies find that decentralization leads to better outcomes, while others attest to no or only a very small effect of decentralization. To explain this ambiguity, we argue, that it is necessary to acknowledge

that decentralization creates autonomy for LGUs and thereby induces a higher level of variation between LGUs, in terms of political and administrative as well as financial factors. Thus, decentralization could lead to better public services in some LGUs, while it causes no or a negative effect in others. This might then explain the ambiguous findings in literature.

In a first step, based on previous literature, we develop an encompassing analytical framework and deduce hypotheses on which local geo-political, administrative, and fiscal factors could explain whether public service quality is higher or lower in any given LGU. We empirically test this framework for the case of preschool education in Albania. To do so, we develop a novel operationalization for the quality of public service delivery. We use nationally defined legal standards that regulate the baseline for a public service delivered by lower-tier governments. We determine the compliance rate for each LGU by measuring how many of the 10 most important standards, determined by experts in the field, LGUs comply with.

For preschool education in Albania, we find that LGUs compliance rates vary significantly. We find evidence for the importance of political, administrative as well as financial factors. Municipalities which are urban and those that outsource some of their management and oversight activities to an economic center are more likely to comply with national standards. Further, donations from private or international actors can lead to lower compliance rates with national government standards. Finally, regulations which have no financial implication induce a higher compliance rate. By developing such an encompassing framework and empirically testing it on one case, we contribute to existing literature by bringing together several strands of literature and develop hypotheses that can be tested on other cases and comparatively in future research.

In practical terms, our study can serve policymakers in Albania and other decentralizing CEEC by highlighting the specific problems associated with decentral public service provision. It shows that attention needs to be paid to the differences between LGUs created by decentralization. Our research emphasizes the role of adequate finances to ensure high-quality public service provision. If the national government wants to contribute to increasing compliance, it should provide local governments with adequate financial resources to decrease their reliance on private donations. Another (short-term) strategy is to rely on regulations that represent only a small financial burden for LGUs. Additionally, central government should systematically consider the administrative consequences of decentralization and make an effort in assisting local governments to build up administrative capacity and an adequate implementation structure. Further, the national and local governments should target less-populated, rural areas and consider how they can support those areas to increase the quality of public service delivery, thereby reducing country disparities.

ACKNOWLEDGEMENTS

Open access funding provided by ZHAW Zurcher Hochschule fur Angewandte Wissenschaften.

PRACTICE IMPACT STATEMENT

Countries worldwide decentralize power from the national to local governments. For this process to be successful, local governments must be equipped with appropriate political, administrative, and financial structures. This research investigates the conditions under which local governments are more or less likely to successfully provide public services using the example of Albania. These findings help practitioners in designing appropriate structures for successful public service delivery after decentralization.

DATA AVAILABILITY STATEMENT

Data access was made possible through Bashki te Forta, a project of Swiss Development and Cooperation implemented by Helvetas.

ORCID

Yvonne Hegele  <https://orcid.org/0000-0003-1567-0317>

Achim Lang  <https://orcid.org/0000-0002-8617-1649>

REFERENCES

- Ablo, E., & Reinikka, R. (1998). *Do budgets really matter? Evidence from public spending on education and health in Uganda* (p. 1926). World Bank Policy Research Working Paper. Evidence from Public Spending on Education and Health in Uganda (June 1998).
- Alderman, H. (2002). Do local officials know something we don't? Decentralization of targeted transfers in Albania. *Journal of Public Economics*, 83(3), 375–404. [https://doi.org/10.1016/S0047-2727\(00\)00145-6](https://doi.org/10.1016/S0047-2727(00)00145-6)
- Amin, M., and I. Zaidi. An examination of the relationship between service quality perception and customer satisfaction: A SEM approach towards Malaysian Islamic banking. *International Journal of Islamic and Middle Eastern Finance and Management* 1(3), Nr. 3 (2008): 191–209. <https://doi.org/10.1108/17538390810901131>
- Aslam, G., & Yilmaz, S. (2011). Impact of decentralization reforms in Pakistan on service delivery—An empirical study. *Public Administration and Development*, 31(3), 159–171. <https://doi.org/10.1002/pad.591>
- Balaguer-Coll, M. T., Teresa, M., Prior, D., & Tortosa-Ausina, E. (2010). Decentralization and efficiency of local government. *The Annals of Regional Science*, 45(3), 571–601. <https://doi.org/10.1007/s00168-009-0286-7>
- Bates, D., Mächler, M., Ben, B., & Walker, S. (2014). Fitting linear mixed-effects models using lme4. arXiv Preprint arXiv:1406.5823.
- Baun, M. J., & Marek, D. (2006). Redressing the regional deficit? Regionalisation in the Czech Republic with respect to EU accession. *Mezinárodní vztahy*, 41(1), 44–57.
- Bel, G., Fageda, X., & Mur, M. (2016). Why do municipalities cooperate to provide local public services? An empirical analysis. In *Public-private partnerships: Infrastructure, transportation and local services*. Routledge. 133–52.
- Bisogno, M., Cuadrado-Ballesteros, B., Santis, S., & Citro, F. (2019). Budgetary solvency of Italian local governments: An assessment. *International Journal of Public Sector Management*, 32(2), 122–141. <https://doi.org/10.1108/ijpsm-11-2017-0328>
- Bolleyer, N., & Thorlakson, L. (2012). Beyond decentralization—The comparative study of interdependence in federal systems. *Publius: The Journal of Federalism*, 42(4), 566–591. <https://doi.org/10.1093/publius/pjr053>
- Brahimi, F., Baholli, F., Haldeda, N., & Dika, I. (2013). Decentralization reform, case of Albania. *Mediterranean Journal of Social Sciences*, 4(10), 524. <https://doi.org/10.5901/mjss.2013.v4n10p524>
- Brinkerhoff, D. W., & Wetterberg, A. (2016). Gauging the effects of social accountability on services, governance, and citizen empowerment. *Public Administration Review*, 76(2), 274–286. <https://doi.org/10.1111/puar.12399>
- Bruni, S., & Cela, A. (2019). *Subnational PFM and service delivery in Albania*. Helvetas. Concept Paper.
- Çaro, E., Bailey, A., & Wissen, L. van (2012). Negotiating between patriarchy and emancipation: Rural-to-urban migrant women in Albania. *Gender, Place and Culture*, 19(4), 472–493. <https://doi.org/10.1080/0966369X.2011.610096>
- Cohen, J. (2013). *Statistical power analysis for the behavioral sciences*. Academic press.
- Dee, T. S. (1998). Competition and the quality of public Schools. *Economics of Education Review*, 17(4), 419–427. [https://doi.org/10.1016/S0272-7757\(97\)00040-X](https://doi.org/10.1016/S0272-7757(97)00040-X)
- Deininger, K., & Mpuga, P. (2005). Does greater accountability improve the quality of public service delivery? Evidence from Uganda. *World Development*, 33(1), 171–191. <https://doi.org/10.1016/j.worlddev.2004.09.002>
- Deleye, C., & Lang, A. (2014). Maternal health development programs: Comparing priorities of bilateral and private donors. *BMC International Health and Human Rights*, 14(1), 1–11. <https://doi.org/10.1186/s12914-014-0031-x>
- De Mello, L. R., & Luiz, R. (2004). Can fiscal decentralization strengthen social capital? *Public Finance Review*, 32(1), 4–35. <https://doi.org/10.1177/1091142103260699>
- De Vries, M. S., Michiel, S. The rise and fall of decentralization: A comparative analysis of arguments and practices in European countries. *European Journal of Political Research* 38(2), Nr. 2 (1. Oktober 2000): 193–224, 224
- Dragoş, D. C., Neamţu, B., & Cobârzan, B. V. (2012). Procedural transparency in rural Romania: Linking implementation with administrative capacity? *International Review of Administrative Sciences*, 78(1), 134–157. <https://doi.org/10.1177/0020852311430283>
- Faozanudin, M. (2014). *Role of local leadership in providing quality of basic education (study in banyumas regency)* (pp. 362–367). Atlantis Press.
- Galiani, S., Paul, G., & Schargrodsy, E. (2008). School decentralization: Helping the good get better, but leaving the poor behind. *Journal of Public Economics*, 92(10), 2106–2120. <https://doi.org/10.1016/j.jpubeco.2008.05.004>
- Garunja, E. (2018). Education system in Albania among changes and reforms. *Prizren Social Science Journal*, 2(2), 182–209.
- Grady, A., Berry, G., & Makarigakis, A. (2016). Taking stock of decentralized disaster risk reduction in Indonesia. *Natural Hazards and Earth System Sciences*, 16(9), 2145–2157. <https://doi.org/10.5194/nhess-16-2145-2016>
- Guga, E. (2018). Local government modernization in Albania: Historical background and the territorial reform 2015–2020. *International Journal of Public Sector Management*, 31(4), 466–506. <https://doi.org/10.1108/ijpsm-01-2017-0018>
- Hefetz, A., & Warner, M. E. (2012). Contracting or public delivery? The importance of service, market, and management characteristics. *Journal of Public Administration Research and Theory*, 22(2), 289–317. <https://doi.org/10.1093/jopart/mur006>
- Hegele, Y. (2018). *Bureaucratic coordination in horizontal intergovernmental relations: The case of Germany*. Universität Konstanz. Retrieved from <http://nbn-resolving.de/urn:nbn:de:bsz:352-2-1xspmh80zwwqf9>
- Hoxha, A., & Gurraj, A. (2001). Local self-government and decentralization: Case of Albania. History, reforms and challenges. In *Local self government and decentralization in South–East Europe*, 194. Friedrich Ebert Stiftung.
- Isufaj, M. (2014). Decentralization and the increased autonomy in local governments. *Procedia-Social and Behavioral Sciences*, 109, 459–463. <https://doi.org/10.1016/j.sbspro.2013.12.490>
- Jerch, R., Kahn, M. E., & Li, S. (2017). The efficiency of local government: The role of privatization and public sector unions. *Journal of Public Economics*, 154(October), 95–121. <https://doi.org/10.1016/j.jpubeco.2017.08.003>
- Ladner, A., Keuffer, N., & Alexander, B., & Irena Bačlija, B. (2022). *Self-rule Index for local authorities in the EU, council of Europe and OECD countries, 1990–2020*. Publications Office of the European Union.
- Ladner, A., Keuffer, N., & Baldersheim, H. (2016). Measuring local autonomy in 39 countries (1990–2014). *Regional and Federal Studies*, 26(3), 321–357. <https://doi.org/10.1080/13597566.2016.1214911>

- Lele, G. Compliance under fragmented governance: The case of ASEAN economic community implementation in four Indonesian city governments. *Policy Studies* 39(6), Nr. 6 (November 2018): 607–621. <https://doi.org/10.1080/01442872.2018.1530414>
- Ler, E. (2017). *Improving the quality of east and west european public services*. Routledge.
- Levitas, T., & Stafa, E. (2020). *Early childhood education in Albania at the intersection of municipal finance and governance. Planning and local governance project in Albania*. Women, peace and security (WPS). Tetra Tech.
- Makreshanska-Mladenovska, S., & Petrevski, G. (2021). Decentralisation and fiscal performance in central and Eastern Europe. *Post-Communist Economies*, 33(5), 614–636. <https://doi.org/10.1080/14631377.2020.1793609>
- Marks, G., Hooghe, L., & ArjanSchakel, H. (2008). Measuring regional authority. *Regional and Federal Studies*, 18(2–3), 111–121. <https://doi.org/10.1080/13597560801979464>
- Milio, S. (2007). Can administrative capacity explain differences in regional performances? Evidence from structural funds implementation in Southern Italy. *Regional Studies*, 41(4), 429–442. <https://doi.org/10.1080/00343400601120213>
- Misra, K., Grimes, P. W., & Rogers, K. E. (2012). Does competition improve public school efficiency? A spatial analysis. *Economics of Education Review*, 31(6), 1177–1190. <https://doi.org/10.1016/j.econedurev.2012.08.001>
- Mueller, S. (2014). Shared rule in federal political systems: Conceptual lessons from subnational Switzerland. *Publius: The Journal of Federalism*, 44(1), 82–108. <https://doi.org/10.1093/publius/pjt009>
- Muharremi, O., Çakëri, L., & Madani, F. (2021). An analysis of the fiscal administrative-territorial decentralization reform in Albania. *Journal of Public Administration, Finance and Law*, 19, 185–202. <https://doi.org/10.47743/jopafi-2021-19-14>
- Musgrave, R. A. (1994). *Die öffentlichen finanzen in theorie und praxis* (p. 6). Aktualisierte Aufl. Tübingen. Retrieved from <https://libero.uni-konstanz.de/ub/KonDoc.cls?rsn=1274686>
- Nemec, J. (2018). Public administration reforms in Slovakia: Limited outcomes (why?). Network of Institutes and Schools of Public Administration in Central and Eastern Europe. *NISPAcee Journal of Public Administration and Policy*, 11(1), 115–134. <https://doi.org/10.2478/nispa-2018-0005>
- Pelari, O. M. (2019). New tax regime effects on local government units case study vlora municipality. *Journal of Accounting and Management*, 9(3). <https://www.proquest.com/scholarly%20journals/new-tax-regime-effects-on-local-government-units/docview/2384321974/se-2>
- Plaček, M., Ochrana, F., Jan Půček, M., & Nemec, J. (2020). *Fiscal decentralization reforms: The impact on the efficiency of local governments in central and Eastern Europe* (Vol. 19). Springer Nature.
- Pollitt, C. Editorial: Public service quality—Between everything and nothing? *International Review of Administrative Sciences* 75, Nr. 3 (1. September 2009): 379–382. <https://doi.org/10.1177/0020852309341932>
- Reuter, W. H. When and why do countries break their national fiscal rules? *European Journal of Political Economy* 57 (März 2019): 125–141. <https://doi.org/10.1016/j.ejpoleco.2018.08.010>
- Rodríguez-Pose, A., & Krøijer, A. (2009). Fiscal decentralization and economic growth in central and Eastern Europe. *Growth and Change*, 40(3), 387–417. <https://doi.org/10.1111/j.1468-2257.2009.00488.x>
- Saavedra, P. A. (2010). *A study of the impact of decentralization on access to service delivery*. Georgia State University. <https://doi.org/10.57709/2853001>
- Saltmarshe, D. (2000). Local government in practice: Evidence from two villages in Northern Albania. *Public Administration and Development*, 20(4), 327–337. [https://doi.org/10.1002/1099-162x\(200010\)20:4<327::aid-pad127>3.0.co;2-d](https://doi.org/10.1002/1099-162x(200010)20:4<327::aid-pad127>3.0.co;2-d)
- Schneider, A. (2003). Decentralization: Conceptualization and measurement. *Studies in Comparative International Development*, 38(3), 32–56. <https://doi.org/10.1007/bf02686198>
- Smoke, P. (2015a). Rethinking decentralization: Assessing challenges to a popular public sector reform. *Public Administration and Development*, 35(2), 97–112. <https://doi.org/10.1002/pad.1703>
- Smoke, P. (2015b). Managing public sector decentralization in developing countries: Moving beyond conventional recipes. *Public Administration and Development*, 35(4), 250–262. <https://doi.org/10.1002/pad.1736>
- Tarantino, A. (2008). *Governance, risk, and compliance handbook: Technology, finance, environmental, and international guidance and best practices*. John Wiley and Sons.
- Thapa, A. (2013). Does private school competition improve public school performance? The case of Nepal. *International Journal of Educational Development*, 33(4), 358–366. <https://doi.org/10.1016/j.ijedudev.2012.07.004>
- Uchimura, H. (2012). *Fiscal decentralization and development: Experiences of three developing countries in Southeast Asia*. Springer.
- Van Der Kamp, D., Peter, L., & Mattingly, D. (2017). Racing to the bottom or to the top? Decentralization, revenue pressures, and governance reform in China. *World Development*, 95(July), 164–176. <https://doi.org/10.1016/j.worlddev.2017.02.021>
- Yadama, G. N., & Dauti, M. (2010). Capacity building for local development: An overview. *Social Development*, 112–131.
- Zhelyazkova, A., und Thomann, E. I did it my way: Customisation and practical compliance with EU policies. *Journal of European Public Policy* 29(3), Nr. 3 (März 2022): 427–447. <https://doi.org/10.1080/13501763.2020.1859599>

How to cite this article: Hegele, Y., Karakaçi, V., Lang, A., & Mushani, A. (2024). Compliance with national standards of decentralized public services: The case of preschool services in Albania. *Public Administration and Development*, 1–16. <https://doi.org/10.1002/pad.2037>

APPENDIX 1 NATIONAL STANDARDS (DEPENDENT VARIABLE)

Standard	Legal source	Content	Operationalization in national survey questionnaire
S1: Children per group	Standard as per instruction 30 dated 12.09.2018	1 group per 25 children in urban areas; 1 group per 15 children in rural areas	Does the guidance on the number of children per group apply in the kindergartens of your municipality?
S2: Psychologist— Children ratio	Law 69/2012 “on the pre-university education system in the republic of Albania” as amended. Guideline No. 30/2018, dated 12.9.2018 “on the number of class students and learning labor standards in pre-university education institutions”. Decision no. 159, dated 1.3.2017 “on the approval of kindergarten standards.”	1 psychologist per 2500 children	Ratio: How many children, in total, are registered in these kindergartens in your municipality?/How many psychologists are working with kindergarten children in your municipality?
S3: Social worker— Children ratio	Instruction no. 38, dated 07.10.2014 “on criteria for support teachers for children with disabilities in public institutions of pre-university education”. Order no. 343, dated 19.8.2013 “on the approval of normative provisions for the pre-university education system”. Law no. 18/2017, “on the rights and child protection”.Order no. 343, dated 19.8.2013 “on the approval of normative provisions for the pre-university education system”.	1 social worker per 3000–3500 children	Ratio: How many children, in total, are registered in these kindergartens in your municipality?/Is there a social worker appointed and working for preschool children in your municipality?
S4: Support teachers for children with disabilities	Instruction No. 38, dated 07.10.2014 “on criteria for support teachers for children with disabilities in public institutions of pre-university education”. Law no. 69/2012 “on pre-university education in republic of Albania”, amended with law no.48/2018. Order no. 343, dated 19.8.2013 “on the approval of normative provisions for the pre-university education system”. Order no. 26, date 25.11.2019 “for support teacher for students with disabilities in the public institution of pre-university education”.	Municipalities with kindergartens with registered children with disabilities should have support teachers	At least one teacher per child with disabilities: How many children with disabilities are registered in the kindergartens in your municipality?/ How many assistant kindergarten teachers work in the kindergartens in your municipality?
S5: Training for teachers in preschool education	Law no. 69/2012 “on pre-university education in republic of Albania”, amended with law no. 48/2018.	Every teacher has at least 3 days of training per year	How many kindergarten teachers from your municipalities participated in national training programs and modules designed by IED in 2019?

APPENDIX 1 (Continued)

Standard	Legal source	Content	Operationalization in national survey questionnaire
S6: Qualification of teachers	Instruction on professional development of teachers in pre-university education, No. 13, dated 22.05.2019, MoESY	Teachers with relevant education profile	Do you have teachers without relevant or out-of-profile preschool education?
S7: Indoor area	Law 69/2012 "on the pre-university education system in the republic of Albania" as amended.	2.5 sqm per child	Ratio: What is the total area of the property of the kindergartens in your municipality?/How many children, in total, are registered in these kindergartens in your municipality?
S8: Menu for children	Decision no. 159, dated 1.3.2017 "on the approval of kindergarten standards".	Specific menu for children	Is the menu defined by the MoHSP is used by the municipality?
S9: Architectural facilities for children with special needs	DCM no. 1074, dated 23.12.2015 "on the definition of measures to remove barriers of communication and infrastructure in the provision of public services for persons with disabilities". Law no. 93/2014 "on the inclusion and accessibility of persons with disabilities". Decision no. 159, dated 1.3.2017 "on the approval of kindergarten standards."	Ramps and bathrooms for children with special needs	Do all kindergartens offer accessibility for children with disability? (Ramps and toilets)
S10: Kindergarten board	Law no. 69/2012 "on pre-university education in republic of Albania", amended with law no. 48/2018. Order no. 343 dated 19.08.2013 "on the approval of the normative provisions for the pre-university education system".	Set up kindergarten board	As percentage on total number of kindergartens: How many kindergartens in your municipality did establish a kindergarten's board?
S11: Parent council	Order no. 25 date 25.07.2018 "for the establishment and functioning of the board of the educational institution".	Set up parent council	As percentage on total number of kindergartens: How many kindergartens in your municipality did establish a parent council?
S12: Portal teachers for Albania	Law no. 69/2012 dated 21.6.2012 "on the pre-university education system in the republic of Albania" as amended. Guideline no. 13, dated 22.05.2019 "on the procedures for admission and appointment of a teacher in a vacant position in the public educational institutions of pre-university education and in the administration of the portal "teacher for Albania".	Using the portal teachers for Albania for selection of new teachers	Does your municipality/the kindergartens in your municipality use the portal "teachers for Albania" for hiring teachers?

APPENDIX 2 CONCEPT SPECIFICATION, OPERATIONALIZATION, AND MEASUREMENT OF INDEPENDENT VARIABLES

Hypothesis	Concept specification	Operationalization	Data source/measurement
H1: Local-state relations	Closeness of municipality to deconcentrated institutions (REA)	Driving distance	Shortest route by car in km, collected from Google maps
H2: Urban-rural divide	Population density	Urban >250 inhabitants per sqm	civil register (follow-up survey) and INSTAT data base
H3: Administrative capacity	Number of preschools	How many kindergartens exist in your municipality in 2019?	National survey
H4: Outsourcing	Existence of EEC	Does your municipality have an economic education centre (EEC)?	Follow-up survey
H5: Accountability towards citizens	Education of parents	Higher education (% of population with secondary education)	Census 2011
H6: Private competition	Number of private preschools	How many private kindergartens are there in your municipality in 2019?	Follow-up survey
H7: Central government transfers	Transfers per child registered in kindergarten	What amount of unconditional sectoral transfers did your municipality receive for preschool education in 2019? How many children are registered in the kindergartens in your municipality in 2019?	National survey
H8: Other revenues	Donations received per municipality	Did you receive donations for preschool education in 2019?	National survey
H9: Financial implications of regulations	Regulations that require financial investments	Own coding: Without financial implications = using of hiring portal (Teachers for Albania). Establishment of parent council and kindergarten board	List of most important standards