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THE SIZE AND COMPOSITION OF GOVERNMENT EXPENDITURES, TAXATION AND DEBT IN ALBANIA AND IN THE REGION

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ABSTRACT

In this topic, we will deal with issues related to the size and structure of the government in terms of public spending, because the size of the government is not determined by the size of the public administration or the number of employees, but is determined by the activity they perform, expenses, production capacity and controller, investments, etc. Also the size and structure of government adapts to changes in the organizational environment of government (especially uncertainty and complexity) as predicted by organizational theory. Studies have shown that both government size and changing structure, holding other factors constant, produce changes in the uncertainty and complexity of governments, organizational environments. We find seven groups of governments that adapt their organizational sizes differently in response to changes in the uncertainty and complexity of their organizational environments and four groups of governments with different preferences for how to adapt government structures. We also use available data to categorize governments according to the extent to which they reactively adapt their organizational size and structure after changes in their organizational, contemporary, or strategic environment occur before these environmental changes happen. Governments also differ in the difficulties they face. They reduce public expenditures, change priorities and try to manage the resources they have in order to maintain the level of well-being of the population. Keeping in mind the economic situation, changes in policies and economic development priorities, we will examine the topic where we will link government spending, taxes and debt.

Keywords: size and composition, government expenditures, taxation, debt, Albania, region.