Albania in the Next Ten Years – 
*Envisioning the Future*

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Preface

This year, (2012) Albania will celebrate the 100th anniversary of its existence as an independent state. During a century since the declaration of Independence from the Ottoman Empire in November 1912, Albania has had a tremendously rich and diverse history featuring celebratory, contradictable and undisclosed phenomena.

The Albanian state had a strongly precarious birth and first years of existence given the hostile regional environment and the international relations it had with the central actors of Europe at the time. This threatened existence persisted until the end of the World Wars with the establishment of the communist regime. Albania spent the next five decades under one of the most isolated, Stalinist-style regimes with severe consequences on its society and economy.

The past 20 years have marked a turbulent transition period, which, despite Albania’s entry into the NATO alliance and some steps toward European integration, most scholars agree is still in progress.

The next ten years will be crucial to Albania’s future and its prospects to establish fully democratic governance and to consolidate a functioning state that enjoys full legitimacy and provides basic public goods to its citizens. Similarly, the next decade will be critical
to the country’s capacity to build a developed capitalist economy based on free competition. Such a development process is in essence *Albania’s Europeanisation project*. Although these major objectives occupy a longer-term perspective, the next ten years will be decisive for the future of this project.

Therefore, the Albanian Institute for International Studies, in collaboration with Friedrich Ebert Foundation in Albania organized the international symposium: *Albania in the Next Ten Years – Envisioning the Future*, which gathered renowned scholars, historians, political scientists, economists, civil society figures, and a variety of other experts in the related fields.

Following the success of the symposium and the attention attracted in the media AIIS decided to publish the following papers with the aim to have a wide public impact regarding the issues discussed at the symposium.
Albania in the Next Ten Years-
An Agenda for Change

ALBERT RAKIPI, PHD

Following the collapse of the communist regime two decades ago, Albania has undergone some of the deepest political, economic and social transformations in modern history. However, despite such undeniably significant processes, the completion of the post-communist transformation continues to be a contentious issue.

The post-communist transformation – popularly known as the transition – has been theoretically and practically considered to be an endeavor with two basic, closely-related components: the replacement of the totalitarian/authoritarian regimes with democratic governments, and the move from a centralized socialist economy to a free market economic system. As in many other countries, both of these components became fundamental objectives of the Albanian elite who came to power following the collapse of the dictatorship.

However, the early nineties were a period of optimism, faith and hope for change as much as they were a period of wonder and concern of what was to replace the entrenched communist regimes. It was uncertain whether the transition from Marxist-Leninist

1 Executive Director, Albanian Institute for International Studies
dictatorships would gradually lead to a pluralist democracy or whether it would rather produce some forms of authoritarianism.

Where is Albania after two decades of transformation? Have the two main objectives been achieved and can the transition process be considered complete? It can be immediately and unequivocally claimed that the totalitarian regime has fallen long ago and that the command economy cannot be found in any feature of the country’s current economic form of organization. From this point of view, the transition process is complete. However, the answer becomes less apparent if one is to ask whether the totalitarian regime has been replaced by a democratic government and a democratic society. Similarly, it is still questionable whether the command economy has opened the way for a competitive, capitalist economy.

If these large projects have not been implemented in Albania two decades later, is it still relevant or useful to talk about the post-communist transition? Does it make sense to talk about post-communist transition for a country that is a NATO member applying for EU membership?

Indeed, many of the characteristics of Albania’s current democracy, state, society and economy can no longer be called transitional. Weak or failing institutions, eroding legitimacy and distrust of political institutions, popular apathy, sustained political tensions, lack of economic competition and consolidated corruption can no longer be considered temporary distortions or symptoms of a transition towards democracy. It is becoming increasingly evident that these phenomena are not characteristics of a transitory period but ‘tangible products’ that threaten to become permanent features of the Albanian political landscape. The politics of a zero sum game, permanent political conflict, the lack of consensus and unfair competition in the political, economic and societal realms unfortunately continue to remain basic features of Albania’s post-communist reality.²

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² The events of January 21st with the violence at the opposition protest that ended with the tragic deaths of four protesters are the culmination of a bitter political conflict between the government and the opposition following the parliamentary elections of 2009.
The use of the word “transition” therefore obscures more than it explains. It also seems to justify the country’s problems by means of a perceived sense of inevitability that accompanies the intangible forces of transition. It portrays transition as a process that cannot be controlled, managed, or directed.

From another point of view, post-communist transition is a term that refers to the past rather than the future. Transition helps to mark the point of departure – the early nineties. But what is the point of arrival? Is it the establishment of a functioning state and a democratic society? Is it accession to the European Union? ³

Rather than a purely intellectual or academic endeavor, the discussion of the completion of transition in Albania is an undertaking that carries real political and policy implications for the country’s democratic future.

The Next Ten Years

The next ten years will be crucial to Albania’s future and its prospects to establish democratic governance and to consolidate a functioning state that enjoys full legitimacy and provides basic public goods to its citizens. Similarly, they will be critical to the country’s capacity to build a developed capitalist economy based on free competition.

Such a development process is in essence Albania’s Europeanisation project. Although these major objectives occupy a longer-term perspective, the next ten years will be decisive for the future of this project. Any other perspective that expects membership in the European Union to magically bring about democratic governance, a functioning state and a developed economy is clearly misinformed. But what are the problems that Albania needs to address before it can even aim to establish a democratic, viable/functional state and a really sound market economy?

³ Michael Weichert Impressive economic Development but state and institutions still lacking behind “ at Tirana Times January 2011 at www.tiranatimes.com
(Multiple) Rotation of Power via Free and Fair Elections

Chris Patten, the former Commissioner for EU External Relations, has perhaps provided the most philosophical description of the Balkans’ technology of change. Exactly a decade ago, talking about the Balkans, he stated: “In the Balkans, like the old English folk dance, it is often a case of two steps forward, one step back.”

Indeed, Albania is a typical example of a country where progress and development has been advanced through internal crises - some of which (1997) has been serious enough to shake internal stability and security. When it was generally believed that the “back to the future” legacy of development was left behind, Albania found itself in a new crisis on January 21, 2011, when four citizens were shot dead at a violent opposition protest.

The recurring political crises that Albania has experienced in these twenty years have been firstly related to the rotation or confirmation of power via free and fair elections. With the exception of the 1992 elections - which replaced a regime and not a government- Albania has failed to hold internationally certified, free and fair elections.

The experience of the past two decades shows that political conflict and the approach of zero sum game have led the country into multiple, deep crises (1997, 1998, 2001 and 2009). From this perspective the next ten years will start in 2013. Should the forthcoming political elections of 2013 not achieve the transfer or confirmation of power via widely recognized elections, Albania may face deep political crises that could potentially threaten the country’s stability and security.

Democratization of Political Parties

Political parties remain key political actors and simultaneously
the most undemocratic institutions in the country. When the party is in power, it is identified with the state while whether in power or in opposition, the party is identified with its leader. Political leadership of most parties has remained the same since the overthrow of communism and Albania's political life has since been dominated by two or three individuals. Despite the provisions of written statues and procedures, party leadership remains almost unchanged.

In addition, the bipolar party system (with two major parties in a permanent conflict) continues to diminish the potential role of a civil society in Albania. It remains to be seen if the bipolar status quo of the two main parties, PD and PS, will continue when the Black and Red Alliance—a recently registered political party—looms in the horizon; and another political party by the current President Bamir Topi is expected.

Leadership changes are expected in both big parties in the next ten years. The way such changes are conducted will be decisive to the democratic functioning of the respective parties and as a result, also to the democratic future of the country.

Albania is the only Balkan country where the ruling elites haven't been renewed since the regime changes of the early nineties. If the natural replacement of leadership in the Albanian political parties does not happen in the next ten years, then at least in this aspect, Albania will resemble the regimes of the Middle East minus the Arab spring.

**Bring the Leviathan Here**

If the most important issue is to be singled out in Albania at the end of two decades of transition, it would have to be the weakness of the state, expressed as a lack of state presence, with few capacities to provide the basic public goods starting from security justice and a very low degree of law implementation.

Though paradoxical, citizens associate the weak state with the
democratization processes that started after the early nineties. Although one cannot speak of nostalgia for the communist state, citizens nevertheless acknowledge a variety of qualities of the state under communism as regards public order and the degree of law enforcement.

It is in fact a paradox that needs explaining. Both theoretically and practically the state is weak under communism and strong in a functioning democratic system – when the state is not defined in terms of its coercive capacity, but the capacity to produce high quality basic public goods, security, law and order, justice, health, education and the alike. This is thus an interesting result. The post-communist performance of the state has been so poor that though Albanian citizens currently have no nostalgia of the state under communism, they nevertheless perceive a current lack of the state and of rule of law in Albania. Such views are testimonies to the weak functioning of the state.

In the early nineties, along with the fall of the regime in Albania came a near fall of the state that had been equated to the oppressive regime. At least two immediate implications of this state failure were the loss of control over national borders and loss of control over territory. Such identification of the state with the regime was the first reason for the weakening of the state, even though the relatively recent tradition of the state in Albania was another contributing factor.

Another reason for the weakening of the state is exogenous and has to do with the triumph of neoliberal ideas of the state that accompanied the end of the Cold War. Heavy reliance on the market and the extraordinary shrinkage of the size of the state was proven wrong even in the consolidated capitalist economies. The shrinking of the state based on neoliberal ideas in a country like Albania where capitalism was, and to a certain extent continues to be, little more than a facade of capitalism, only led to the further weakening of the state.

However, the fundamental reason for the weakening of the state in Albania has to do with the deformation of the political system
and its components. It has to do with the country’s non-functional, weak democracy. We seem to have entered a vicious circle where the weak democracy breeds a weak state and where the weak state recycles the weak democracy. What is the way out?

The next ten years will be vital in escaping this heritage of the past two decades that threatens to turn into ‘normality’. The ‘departisation’ of the state is the first step that the two main political parties need to achieve on the basis of wide political consensus. A ‘pact for the state’ needs to guarantee the separation of the party from the state as well as the construction of a state bureaucracy that is not based on clannish, tribal or clientelistic relations.

The reestablishment of state control over the territory also requires the consensus of the two political parties. Laws and procedures exist but they are not implemented. Albania has for twenty years now undergone the so-called process of legalization of illegally-built dwellings. Neither of the two main parties that have held power in these twenty years has dared to put an end to this intentional loss of state control over territory. For similar political reasons, a large number of citizens in Albania are allowed to forgo the payment of electric energy bills. Similar scenarios can be imagined in the taxing system.

The return of state control and rule of law over the territory, if achieved, can also stop the degradation of the environment. This is relevant to the economic development of the country - and especially to areas where the potential for the development of tourism is high.

Time for a Capitalist Economy and Prioritization

There were no private banks in Albania in 1994 and now the country hosts a chain of western banks. Similarly, though the number of banks per capita is higher than in almost any country of the region and the EU, banking products and services are offered at the highest rates in the entire region. Such developments are difficult to comprehend in circumstances of free competition. Similarly,
in 1992, the fixing of a line phone could only be achieved via a government authorization. Now, there are four mobile telephone operators but charges remain to be some of the highest in the world. Why does there seem to be no competition between the four mobile communications companies at a time when the Albanian economy claims to be a capitalist economy?

These are only two massive examples as such developments can be easily observed in the markets of various consumption products and services. Why does there seem to be no competition in the Albanian economy? To what extent does the Albanian economy function as a capitalist economy?

The second issue that needs to be critically considered is the hierarchy of priorities for the country’s economic development. Where are the advantages of the Albanian economy and which sectors should be prioritized?

In the last twenty years, economic development in Albania has been chaotically shaped by a long list of priorities, which has in essence made every sector a non-priority. Although a holistic assessment needs to be undertaken, local and international experts nevertheless believe the country’s development should focus on the sectors of tourism and energy. After such priorities for economic development in Albania are outlined, a critical evaluation also needs to be undertaken on the interaction of these sectors with other important sectors such as the environment, infrastructure and the quality of education in Albania.

_Degradation of the Education System – Stop it Now_

The coming ten years will be deterministic to the quality and the future of the education system in the country. Albania inherited a strong tradition of education from the communist system. Though based on the Russian school, the education system in Albania maintained generally high levels of quality and commitment in all of
its educational cycles. Even in conditions of extreme isolation, with the exception of the social sciences, the Albanian university system and academia were able to produce noteworthy elite. Similarly, the regime invested highly even at the lower levels of pre-university schooling. In her work on Albania, anthropologist Clarissa De Waal\(^5\) notes that Albanian teachers at the beginning of transition were more professional than teachers in Greece. Becoming a teacher and especially a university professor in the Albanian society under communism was a sign of social status. The regime paid particular attention to the individuals and institutions that were to form the body of the country’s future educators.

Paradoxically, the quality of education in conditions of freedom has fallen considerably compared to the period of the communist regime. The first hit to the education system in Albania in general, and to university education in particular, took place in the early years of transition. This was the time when a large number of university professors, scientific researchers and even talented teachers choose to leave Albania – often to take up unqualified jobs abroad. But the degradation of the educational system deepened in the following years. Both local and international experts now affirm the nearly hopeless condition of education in the country. Corruption was certainly the first step in the spectacular degradation that started from lower cycles of the education system all the way up to the university level. Low-paid teachers and professors choose the wrong path to survival - that of corruption. Now, one simply needs to pay a bribe to pass a class. The same route can be followed all the way up to the awarding of a diploma.

A parallel significant development of transition and the opening of borders in the last twenty years has also been the creation of excellent opportunities for tens of thousands of Albanian students to study in western universities each year. Currently, the education system, particularly at the university level, faces a chaotic, almost

desperate situation. A dozen or so private universities have appeared like mushrooms after the rain. Largely serving as profit sources for the owners, they are undermining the underlying idea of quality private education through entrepreneurship.

**Albania’s Foreign Policy – Time for Change**

Albania’s social, economic and political transformation during the last twenty years has been significantly supported by Albania’s foreign policy and international relations. Further development also depends on the contribution of foreign policy and international relations in general. Success in Albania’s foreign affairs will largely depend on success in domestic affairs. However, it is also critical that Albania reviews its international relations, focusing on, but not being limited to, the Balkan states.

The review of Albania’s bilateral relations should start with Kosovo, Serbia and Macedonia. It should then continue with the two EU frontline neighbours, Italy and Greece - and particularly the latter. Albania does not seem to have a Balkan foreign policy and seems to shy away, if not fear having a foreign policy on the region. Albania’s foreign minister in the past twenty years has spoken about the Balkans as the Foreign Minister of Sueland speaks of it. Regional cooperation in the Balkans cannot be successful unless there is first a healthy relationship between states at the bilateral level. Albania has always claimed a constructive role in the region, which has meant an active support for Western policy in the Balkans. The pursuit of an opposite course has mostly been an assumed concern of the western partners rather that something likely to materialize.

The next ten years will be extraordinarily important to the future of Albania’s relations with the countries of the Balkans, starting with Kosovo. If Albania will seek to have a role in Balkans, will this continue to be the role mostly invented by the west - one that assumes a region under the fear of instability and conflicts? Or
will it be one that will support Albania’s interests without giving up commitments as a member of the international community (NATO) and a country aspiring EU membership?

There are also problems between Albania and Greece that need to be solved based on international law, the stock of international documents, and on European values. The relations between Albania and U.S. are considered to be in transition. Should this be the case, the future of these relations also needs to be mapped out. Albania’s relations with other regions such as the Middle East and the Islamic world in general are almost frozen. In this regard, the country needs to ask if it is willing, and particularly why it should be willing to pursue a 360 degree foreign policy. All of these issues should be not only a matter of academic pursuit but also areas of relevant consideration to policy and decision makers.

The development of critical thinking on foreign policy debates and decision-making will bring about the democratization of foreign policy and the relevant decision-making processes. Such developments will consequently translate into positive changes in terms of both domestic and foreign affairs.

Last but not least, a realistic, serious foreign policy must be supported by a qualitative and competent service. To steer such progress, Albania’s diplomatic service needs to be reformed. Like the rest of the state machinery, it has been built and functions on the basis of political, clan and even family-based nepotism rather than on the country’s laws and procedures.
The European Crisis and the Western Balkans: An Overview

FRANZ-LOTHAR ALTMANN

The Western Balkans is going through another period of controversial development. On the one hand, the upcoming membership of Croatia in the EU, together with Croatia’s early NATO membership, is opening the way to connect, encompass and integrate the entire region within the Euro-Atlantic community of shared democratic values, freedom, stability and security (Hido Biscevic). “We take note with satisfaction of the incoming Croatia’s EU membership, of recent Serbia’s status of EU candidate country, of the recent arrangements between Belgrade and Prishtina. All these decisions have an undoubted importance for each individual party and for the overall stability and progress of our region. The enlargement momentum is preserved and this is the most important for the region.”

Croatia’s EU accession opens the way to complete the historical project of a united and undivided Europe. What started after the second world war with the reconciliation of Europe’s West, and continued by the reconciliation of Europe’s East

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6 Dr. Franz-Lothar Altmann, Associate Professor, Bucharest University
7 Hido Biščević in his address speech to the 4th RCC anniversary in Sarajevo, March 12, 2012
and West after the collapse of the Cold War division, should by now be completed with the Western Balkans.

However, current realities in the Western Balkans, the area completely encircled by EU and NATO members, still indicate too many undeniable homemade, inherited challenges, possibly even strategic barriers, plus dramatic changes of the international agenda. The first ones, the inherited challenges, may be called fundamental issues of long term duration stemming from long-lasting historical disputes, from the political and legal consequences of the dissolution of former socialist Yugoslavia or from the wars period of the first half of the 1990s. Before coming to the second, the more recent dramatic changes of the international agenda, let me only in half sentences mention these long-term troublesome domestic issues: — the still unclear future of a sustainable, functional integrated state of Bosnia and Herzegovina, the state which is geo-strategically positioned at the very core of the region, and therefore essential for durable security and stability of the entire region: 1) the dispute between Skopje and Athens on the name issue; 2) in Macedonia the new rising tensions between the Slav and Albanian communities; 3) the impasse concerning the future relations between Belgrade and Pristina, including the issue of North Kosovo; 4) in Albania as well as in Montenegro political constellations (clan structures, corruption, and clientelism) that constantly raise sever criticism from the EU Commission in their regular reports. It is therefore understandable that discussions on further enlargement of the EU, and enlargement is anyhow foreseen only for the Western Balkans and maybe Turkey, are clearly negatively biased by these fundamental challenges.

Let me now come to the dramatic changes in the international agenda. Here we have to distinguish between the economic and financial crisis hitting mainly the EU and the US, whereby the US dominantly are only of political importance or the Balkans, and to some extent unpredictable, new developments in the non-European world like the Arab spring revolutions in north Africa and the Middle East, the dispute on Iran’s nuclear program, the
deterioration of the situation in Iraq and Afghanistan, the missile deployment issue between the US and Russia, the ongoing disputes between the first and the third world in the Doha round and the pending negotiations on climate change (Kyoto Protocol). All this contributes to a profound change where the world’s international order is rapidly and dramatically shifting towards uncertainty.

In this environment the Western Balkans with their unfinished, unresolved internal challenges have dramatically lost attention and are not any longer found on top of the priority list of European politicians: immediate challenges and uncertainties undoubtedly dominate issues of basic but not so much actually burning developments.

In fact these traumatic changes and developments in the outer world – seen from Europe – do only indirectly affect the Western Balkans, namely thru lost attention. The financial and economic crisis in Europe itself, however, has a number of direct consequences for the Western Balkans, countries that find themselves in a difficult catching-up process. Here again one must distinguish between the general financial and economic crisis in Europe and the effects of the Greek crisis on her neighboring countries in the Balkans.

**The European Financial and Economic Crisis and the Balkans**

Not only the three EU-countries (Bulgaria, Greece and Romania) but also the non-EU countries of the Balkans are economically closely tied with the rest of the EU member countries, and here in particular with the countries of the Euro zone. In 2010 exports of the six countries (Albania, Bosnia-Herzegovina, Kosovo, Macedonia, Montenegro and Serbia) to the EU covered 58.2% of their total exports. At the same time, until 2008, the countries of the Western Balkans could attribute to a large part their positive average gross rates of 5 to 10% per year to the substantial inflow of foreign direct investments from the EU countries. When starting with the year
2009 these FDIs rapidly diminished and also the transmittances from the migrant workers became smaller and smaller, all Western Balkan countries with the exception of Albania had to register negative gross rates of GNP and clear increases of unemployment. Thus, when the countries of the Western Balkans had on an average GNP gross rates three times higher than the average of the EU in the years 2005 to 2008, then also the negative amplitudes in the years to follow were higher.

In its 2011 Transition Report, the European Bank for Reconstruction and Development reported that 38% of private households in the transition region had to decrease their basic consumption as an outcome of a crisis, as the comparable figure in Western Europe was just 11%. 29% of the households claimed that their wage income during the crisis was reduced, in Western Europe this was only 16%.\(^8\)

In 2010 a slight recovery in the region could be observed, only Romania and Croatia still had negative economic gross of -1.3 respectively -1.2%. On an average, however, the Western Balkans countries could report a modest growth of 1.3% for 2010 hoping for similar figures for 2011 and 2012. It remains open whether this slight recovery which was predicted by the World Bank in mid-November 2011 and by the European commission will hold for the years to come. It is primarily depending on whether and how strong a respective recovery in Western Europe – and here in particular in Germany, at present the growth locomotive – will take place. In this context negative effects also can derive from the fact that a number of countries in the Balkans (Albania, Bulgaria, Romania and Serbia) have among their three most important economic partners Italy, a country where from at present rather uncertainty than stability is emanating. Anyhow one can find that the Balkan countries are following the general European and global trends, although with a certain time delay: The worst year in Western Europe was 2008, in the Western Balkans 2009!

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The Greek Crisis and the Neighboring Countries

When in 2011 the Greek crisis became more and more dramatic, uncertainty had to develop in the northern neighborhood countries in Southeast Europe, because for some of them Greece is an important trade partner, and also Greek investors had substantial engagements in the region. In addition one must take into consideration the role of Greek banks in the finance sector of some of the Balkan countries.

The detrimental recession of the Greek economy must inevitably have negative effects on the economic relations with her neighbors. The drastic reduction of domestic demand in Greece effectuates a contraction of imports which must hit those countries most where exports to Greece play a larger role: This holds true for Bulgaria where in 2009 70% of exports went to Greece, for Montenegro this figure was 12.3%, for Albania 8% and for Macedonia 6.4%.9

Furthermore, already in mid-2010 the Western Balkan countries felt the first skid marks on the international finance markets: Albania, Croatia and Macedonia had to postpone the issuing of state bonds planned for end-April because for the first time rumors arose about a possible insolvency of Greece and the subsequent rise of interest rates. In 2012 anyhow the respective budget deficits in per cent of the GNP have been in all countries above the Maastricht limit of 3 %: Bulgaria 3,9 %, Romania 6,5 %, Slovenia 5,6 % Croatia 4,8 %, Montenegro 3,5 %, BiH 4,5 % und Serbia 4,7 %.10

Greece as investor was in particular active in Albania, Montenegro and Macedonia. In these countries Greece always was among the three most important investing countries. Altogether Greek investments in the Balkans had reached a total sum of €12 billion until 2009. However, already in 2009 and then in 2010 new investments of Greek enterprises are hardly to be seen, on the other hand, until now also only few Greek enterprises have retreated with

9 Lessenski, Marin: How are the Balkans Weathering the Storm of the Economic Crisis: Comparing the Implications Across Countries in the Regional and European Context, in: IRIS (Ed.): The Western Balkans: Between the Economic Crisis and The European Perspective, Sofia, September 2010, p. 6-29.
their projects.\textsuperscript{11}

Probably the most important area of Greek engagement in the Balkans is the banking sector which anyhow is dominated by investments of foreign banks, in 2007 foreign banks owned in Albania 94.2\% of the banking sector, in Bulgaria the respective number was 82.3\%, it Macedonia 85.9\%, in Montenegro 78.7\%, in Romania 87.3\%, and in Serbia 75.5\%

This strong engagement of foreign banks can certainly be explained by the perception that the region is seen as a profit promising economic growth area where relatively high interest rates, that are constantly above those in the euro zone, make credit business profitable. Greek and Austrian banks have been the most active ones in Southeast Europe.\textsuperscript{12}

Seven Greek banks - among those in particular the Greek National Bank, the Eurobank, Alpha Bank and Piraeus Bank - are holding a network of 19 subsidiaries with more than 1900 offices in 12 Southeast European countries, in particular in Albania, Bulgaria, Macedonia, Serbia and Romania, employing thereby some 23,500 employees. If one adds the engagement of Greek banks in Turkey then the number increases to 2,400 bank offices with some 40,000 employees! With almost €17 billion capital assets Greek banks are holding approximately 15\% of the capital stock of all banks in the Balkans.\textsuperscript{13} The most important businesses here are in particular the direct customer business, i.e. credits for consumption and mortgages, credit cards issuing, and accompanying Greek investors abroad.\textsuperscript{14}

According to data of the Bank for International Settlements Greek banks have given credits to borrowers in Bulgarian the magnitude of 31\% of the Bulgarian GNP. Related figures for Serbia and Romania

\textsuperscript{11} MacDonald, Neil / Hope, Kerin / Bryant, Chris: Balkan banks wary of Greek retreat, in: The Financial Times, 18.03.2010 (http://www.ft.com/intl/cms/s/0/defb2194-31b7-11df-9ef5-00144feabd0c.html, as of: Jan. 18,012).
\textsuperscript{12} Golemis, Haris / Papadopoulou, Elena: Greek Banks in the Balkans, in: Transform!, (2009), 5, pp. 51-62.
\textsuperscript{13} MacDonald / Hope / Bryant, op. cit.
\textsuperscript{14} Golemis / Papadopoulou, op. cit.
are 18.5 respectively 13.1% of the nominal GNP. Even in Turkey credits of Greek banks relate to 4.2% of Turkish GNP. Among the top 10 banks in Bulgaria one finds 4 Greek–controlled, in Serbia 3 and in Romania 2. The respective concern now is that increasing liquidity squeezes in Greece could force the Greek subsidiaries in the Balkans to pull out their liquidity reserves from there. The hope is that the so called Vienna-Initiative of 2009 will hold which committed foreign banks to draw off their capital assignments from Southeast Europe for at least two years. However, as long as the subsidiaries in the neighboring Balkans still make profit – in contrast to the mother banks in Greece – the engagements might last! By the way, this might also hold true for Greek investments, if investors become aware that their engagements in the region still meet demand there when at home, in Greece, domestic demand and therefore profits are constantly shrinking.

Undoubtedly the Greek crisis is altering the conditions for the further process of EU enlargement. The slower and probably even stagnating economic recovery of the Western Balkan countries does not make it easier to continue with those reforms which the EU requires. What accrues is the reinforcement of a negative image of the countries as a generally problematic region in the southeast of the continent. In the context of the revitalized critique of Bulgaria and Romania concerning their too weak fight against corruption and organized crime the Greek crisis amplifies the picture of the region as an economically and politically instable area. In addition the Greek crisis beefs up the awareness in the old EU member countries that the so-called solidarity principle might require higher financial expenses for the new and weak members than expected.

All this will only aggravate the reluctance regarding future enlargement of the EU in a number of member states, and thus impair the political will for continuing the enlargement process.

The tendency towards exacerbating EU accession criteria, which already has become fiercer for Croatia than in earlier enlargement rounds, and will make the negotiation process with future accession
candidates more difficult and longer. In this context it must have raised head shakings had just the three problem countries Bulgaria, Greece and Romania asked in a common letter to Enlargement Commissioner Štefan Fuele and Commissioner for Regional Politics, Johannes Hahn, for an acceleration of the enlargement process.

In the meantime the Greek crisis has even prompted the fall of a non-Greek government: in Slovakia, a member of the Euro zone, the domestic resistance against the ratification of the European financial stability fund (EFSF) forced Prime Minister Iveta Radičová to alter the parliament ballot on the EFSF into a motion of confidence which she lost on October 11, 2011.

Outlook

For the Western Balkan countries, but also to a smaller extent for the neighboring EU countries which do not belong to the Euro zone, (Bulgaria and Romania and Hungary), the Greek Crisis and the further developing Euro Crisis have brought about a distinct set back of the Western Balkans in the awareness of the EU core countries. Politics in the core EU are predominantly occupied with handling the crisis, enterprises are holding off investments, banks and insurance companies as well as other finance investors are struggling with their losses from the Greek debt relief. Examples for pull-outs of investors are among others the retreat of GDF-Suez, Iberdrola, CEZ and RWE from the development of the nuclear power station Cernavoda in Romania, of RWE from the nuclear power project Belene in Bulgaria or the pullback of the Czech energy concern CEZ from the appurtenance project for the power station in Gačko in Bosnia-Herzegovina. This certainly has also opened the door for a stronger presence of Turkey in the Balkans, in particular in countries with a strong Muslim population, as well as help calls for Russia (Serbia) and Beijing (Hungary, Macedonia, and Bulgaria).
Albanian Democratization between Europeanisation and Neoliberalism

BLENDI KAJSIU

Introduction

Most of the literature on Albanian democratization identifies a combination of three major obstacles to democratic consolidation in the country. First, there is the communist legacy that was often blamed both locally and internationally for the authoritarian tendencies of the first post-communist Democratic Party government. The ‘communist legacy’ argument is part of a larger narrative that explains the failures of the Albanian democratisation from a cultural perspective according to which the lack democracy in Albania should be primarily explained in terms of the lack of a democratic culture. Second, there is the Albanian political class that is continually blamed as incapable of building a democratic political system. This is an elitist perspective, whose

15 Lecturer at the University of Tirana, Tirana, Albania
17 The Best example here in English would be the well-known work by Elez Biberaj (1998), Albania in Transition: The Rocky Road to Democracy, (Colorado: Westview Press) who concluded that Albania’s political crisis in 1997 was due to the fact that “the new elites had no tradition of
premises are often rooted in rational choice theory.\textsuperscript{18} Finally, there are those who blame Albania’s failed democratisation on the weakness of the Albanian state.\textsuperscript{19} This is often part of a broader institutional approach that emphasises the importance of institutions in developing a healthy democratic system. Most of the progress reports of the EU that emphasise the need to strengthen institutions fall in this category. Of course, these three perspectives are never clearly separated and are often applied simultaneously.

While the above perspectives have produced some useful insights their common problem is that they trace the failures of Albanian democratisation to a given essence that in turn becomes either unchangeable or inexplicable. Thus, in the cultural approach the communist legacy or the authoritarian political culture in the Albanian political scene is fixed as an independent variable that explains a number of other problematic phenomena. As a consequence it becomes unclear how this culture comes about or how it can ever change given its ontological status. Tracing the failures of Albania’s democracy to the failures of the Albanian political class does not explain why the Albanian political class is particularly incapable of democratising the country. In a similar fashion, the idea of democratic problem solving, and a limited understanding of their rights and responsibilities. In a country steeped in authoritarianism, they lacked a willingness to compromise, and relied on command rather than bargaining.” (p 350). Along the same lines a well known Albanian analyst, Andrea Stefani, in his recent book in Albanian, *Conspiracy Against Freedom* argued that; “The loss of a historical opportunity to institutionalize freedom as a political system in Albania is one of the gravest sins of political leaders such as Sali Berisha and Fatos Nano, a sin that does not exclude other political actors near them, in fact the entire political class.” See Stefani, A. (2011). *Konspiracioni Kunder Lirise: Shqiperia nga Diktatura ne Demokracine Bolsheviqe*, Tirana: Onufri. P 21.


that democratisation in Albania is lacking due to weak institutions, begs the question “why are institutions so weak?” In order to avoid these pitfalls some researchers try to combine different explanatory variables such as culture, institutions and the political class. This however often comes at a cost, since variables such as culture, the political class or institutions have different ontological statuses that imply diverging methodological approaches.

Given the shortcomings of the above perspectives, I propose to investigate Albanian democratisation not by focusing on a given essence, whether culture, the political class, or institutions, but by identifying contradictory agendas that have been pursued in Albania’s democratisation process, both by local and international actors. In particular I will argue that some of the major failures of Albanian democratisation can be traced in the contradictory demands of Europeanisation and neoliberalism. Following the collapse of communism two major discourses emerged in the Albanian public scene; the Europeanisation and the neoliberal discourses. While the Europeanisation discourse implied a central role for the state, the political class, and for the public administration in order to carry out the Europeanisation of Albanian society and institutions, the neoliberal discourse constantly undermined the capacities and the credibility of the political class, the state and its institutions to perform such a task. One major consequence of these conflicting demands was a growing gap between legislation and its implementation.

Therefore, the initial hypothesis of my research is that by looking at the contradictory agendas of Europeanisation and neoliberalism in Albania we can understand phenomena such as the weak rule of law. While the Europeanisation discourse produced an agenda that focused on the growing import of EU legislation, administrative and institutional practices, the neoliberal discourse produced an agenda that undercut its implementation by constantly undermining the capacities and the credibility of the political elite and state institutions. In order to better understand this process it is important that I explore these two discourses.
The Europeanisation Discourse and its Implications

One of the major slogans of the anti-communist student movement was “We Want Albania Like the Rest of Europe!” Very quickly Europe replaced Communism as the new utopia Albania had to aim for. Europe, in the terminology of Ernesto Laclau, became an empty signifier that stood for democracy, freedom, equality, economic development, justice, enjoyment, and about everything that socialism had failed to provide. After almost half a century of trying to become communist Albania now was attempting to become European. As the first post-communist president Sali Berisha put it on April 1992 in his inaugural speech; “the greatest dream of every Albanian is the integration of Albania into Europe.”

In the Europeanisation discourse Albania had to leave behind its dark, communist, totalitarian, authoritarian and underdeveloped past and move towards a bright, European, democratic, free, and developed future. To this end Albania has to transform everything from its political, institutional, legislative and economic structure, to the mentality of its population. As the first post-communist Prime Minister Alksander Meksi put it while presenting his Government Program in 1992 to the Albanian Parliament, in order to make the transition from a communist to a European country:

We shall have to simultaneously build and reformulate almost everything: the economy in all its complex structures, the state and its necessary mechanisms, the system of schooling and education, our spiritual and cultural, and why not, even our mentality and social psychology.

Despite its opposition between Europe and Communism the Europeanisation discourse was to a large extent a modernisation discourse in the same way as the communist discourse it had

replaced. Europeanisation was understood as a modernisation drive for Albania. If communism sought to create the ‘new communist man’ Europeanisation meant the creation of the ‘new European Albanian’. In both cases the political elite and the state were awarded priority as the ‘Avant guard’ that would take Albania towards its European future. More specifically, the Government had a central role in the modernisation process of EU integration as an engine of social mobilisation. As Prime Minister Ilir Meta put it in 2001:

The European integration implies first of all our adaptation with all the European standards of thinking and working. Europe is a major challenge, which requires institutional discipline, social dedication and moral persistence. The Government, as the regulator of the development of the Albanian society, will continue to encourage and to require the support of all those who understand that today professionalism and dedication are the best patriotism.

In the context of EU integration the Government and the State in general assumed a pivotal position as the steering engine of a teleocratic order whose final aim was to achieve a European Albania. The Albanian state and political class had a crucial role as a mobilizing force, or the driving engine, that would reshape the entire institutional, legislative, administrative, economic and political make up of the country in order to bring it up to European standards.

The crucial role of the Government and of the Albanian state in effecting a major transformation in the Albanian society that ranged

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22 The importance of the political elite in the democratization process is also reflected in the fact that the Albanian constitution awards priority to representative democracy as compared to direct democracy. Article 2, paragraph 2, of the Albanian Constitution stipulates that; “The people exercise their sovereignty through their representatives or directly.” Furthermore, the Albanian constitution and legislation in general provide limited space for the organization of national referendums initiated at the grass – root level. In addition the international community, which saw the political elite as the engine of the economic reformation process and the general population as its impediment, constantly emphasized the importance of the political elite as the engine of the Albanian transformation.

from legislation to the re-shaping of the educational system was clear from the very beginning of the Albanian transition. Thus, the first post-communist Prime Minister ALeksander Meksi emphasised in the 1992 Program that the Government would take an active role in reshaping education, arts and culture. As far as education was concerned the government would undertake an educational reform that would aim for the re-structuring and the reshaping of the entire educational system. The reform would aim for:

- de-politicization and democratisation of education at all levels. This will certainly call for a re-thinking of educational plans, programs and texts. We shall also work to produce a new legislation for the schools, based on its new structure, as well as in re-training and re-qualifying of the other [educational] employees.\(^\text{24}\)

As far as research was concerned the Prime Minister argued that the government would produce: “a law on science and the status of the researcher will be approved, and we shall also provide subsidies depending on the level of national income.”\(^\text{25}\) In a similar fashion the government sought to reshape arts and culture from a communist perspective towards a democratic one by “preserving the inherited values while stimulating and subsidising new [cultural] creativity.”\(^\text{26}\) Given the dire state of health services and the growing regional disparities the government also sought to “reduce disparities amongst different areas, between the city and the village, and the improvement of the quality of medical service.”\(^\text{27}\)

To a large extent the major role of the government was influenced by the dire economic and social conditions of Albania in the early

1990s. However, the important role of the State in the transformation of Albania into a European democracy was also part and parcel of the Europeanisation process itself. In the Europeanisation discourse the political class and the government had a pivotal role as the engines of EU integration. Thus, Prime Minister Ilir Meta in 2001 would argue that the EU integration process, which constituted the absolute priority of the Albanian government, had advanced well primarily due to the maximal commitment of the new Albanian state to foster conditions that were conducive to the growth and development of democratic institutions, to raise substantially security standards in the country, and to advance successfully market economy reforms, and the development of an independent judiciary. As the above citation clearly demonstrates the Albanian state was seen as the major driving engine of Albanian Europeanisation. The State not only fulfilled its institutional obligations, but also carried out substantial economic reforms. In other words in the framework of EU integration the state was expected to shape not only the political and administrative institutions, but also the economy. This understanding of the state differed substantially from the position and the role that was awarded to the state in the neoliberal discourse. This is what we now turn to.

The Neoliberal Developmental Model in Albania

In order to understand the neoliberal order that was implemented in Albania following the collapse of communism, it is first important to understand neoliberalism. By neoliberalism I do in fact mean the neoliberal discourse, its assumptions, concerns and objectives. Following Michel Foucault I argue that “the problem of neo-liberalism was not how to cut out or contrive a free space

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of the market within an already given political society, as in the liberalism of Adam Smith and the eighteenth century” (Foucault, 2004, p 131). Instead in the neoliberal discourse, the market became the organising principle for the state itself. Neoliberalism sought to “adopt the free market as an organizing and regulating principle of the state, from the start of its existence up to the last form of its interventions. In other words: “a state under the supervision of the market rather than a market supervised by the state.”

In this respect neo-liberalism goes beyond economic liberalism in as far as it does not only aim to keep the markets free from state intervention, but it also takes the market interactions as the model that needs to be emulated by other social spheres that do not normally come under its sway, including the state itself. First, this means that where “markets do not exist (in areas such as land, water, education, health care, social security or environmental pollution) then they must be created, by state action if necessary.” Second, even those areas that remain outside of the market, such as the public administration should imitate the market logic, as much as possible, by introducing as much competition as they can in their operations. As Barry Hindess (2005) argued, the term ‘neoliberal’ is commonly used to identify a range of governmental projects aiming “to cooperate or privatise public sector institutions, to expand the sphere of competition and market-like interaction, and to promote individual choice alongside or in place of public provision.”

In the neoliberal discourse the international arena itself should as much as possible resemble and function like a global market, which is why at the international level neoliberalism “promotes commerce, uniformity in commercial law and the associated disciplines of the market as indirect constraints on the conduct of states themselves.”

The growth of the neoliberal discourse, which became hegemonic

32 Ibid.
after the 1970s, thoroughly shaped the developmental model that was recommended to, and implemented in, developing countries by international institutions such as the IMF and the World Bank. Khan, for example, has argued in the case of the prescriptions given for development by the World Bank that:

Underlying these prescriptions is the belief that free and unfettered markets are the best driver of development in poor countries provided that the state created a basic legal framework and provided essential public goods. Any additional state intervention and the associated rents which such intervention inevitably creates is not only not necessary, but is a massive hindrance to development.³³

Direct state intervention or participation in the market was seen as dangerous from a neoliberal perspective because “the state cannot possibly possess enough information to second-guess market signals (prices) and because powerful interest groups will eventually distort and bias state interventions (particularly in democracies) for their own benefit.”³⁴ This did not mean however that the state had no role to play in development, but that its role should be limited to providing the institutional and legal framework in order to guarantee the smooth functioning of the market. Development could only happen through the market, the state was “essential for putting in place the appropriate institutional foundations for markets.”³⁵ In this respect the neoliberal developmental model was the opposite of the ‘developmental state model,’ best summarised by Chalmers Johnson (1999), which assigned a central role to state intervention in the economy, and which was successfully implemented by most of the Asian Tigers, as well as by most Western European countries.

after WWII.  

The neoliberal developmental model was systematically applied in Albania by the Albanian government and international institutions such as the IMF and the World Bank, especially during the first period of the Albanian transition 1992-1997. At the heart of the neoliberal discourse was the dichotomy between the state and the market. In the neoliberal developmental model that was implemented in Albania in the early 1990s the market was seen as the source of development and progress, while the state was viewed as its potential obstacle. Once in power the Democratic Party in its first government program in 1992 clearly emphasised the market as the source of development and progress as opposed to the state, which now needed to become severely limited to guaranteeing individual freedom and the functioning of the market economy. Two of the four major principles presented by Prime Minister Aleksander Meksi in 1992 pertained to this new neoliberal philosophy:

Man and not the state, the government or political parties, is the supreme subject. This means that all the people enjoy now freedoms they did not have before…The role of the government is to protect these freedoms and not to limit them…

The role of government is to create the framework within which our people can try their best and use their abilities to the maximum for their benefit. Government neither aims nor has the capacities to run the economy and distribute resources amongst the population. Our prosperity depends on the degree to which we allow the market economy to prosper.

During the years 1992-1997, Albania initiated some of the most free-market policies in Europe, and was considered a model country for international institutions such as the IMF and the World Bank

Albania rapidly liberalised prices, opened up its markets, implemented tight monetary and fiscal policies, and undertook massive and rapid privatisation (The World Bank, 1994, pp. 81-2). The main pillars of the neoliberal developmental model applied in Albania at the beginning of 1990s were three: stabilisation, liberalisation and privatisation. Stabilisation meant macro-economic stability; a stable currency, low inflation and reduced budget deficit, especially since following the collapse of the communist regime in 1991 the country was experiencing high levels of inflation. The Albanian government policy, under the IMF aegis, made macro-economic stabilisation its priority (Kaser, 2006, p 6). In the stabilization programme of the Albanian government once the Democratic Party came to power a restrictive incomes policy figured prominently, with the aim of limiting inflationary pressures. A range of instruments were used to control wage growth: direct limits on average wages, wage tariffs, control of minimum wage, and fixed compensation for inflation instead of an indexation system.\(^{38}\)

### The Impact of the Neoliberal Model on the Public Administration

The neoliberal philosophy that was pursued by the Albanian governments under the supervision of international institutions such as the IMF and the World Bank had major negative impacts on public administration. The tight fiscal policies that successfully arrested inflation in the early 1990 had a severely depressing effect on salaries. Between early 1992 and mid 1993, real wages decreased by 26.6 per cent increasing by only around 4 per cent annually in 1994 and 1995.\(^{39}\) Public sector workers were forced to accept large real wage reductions as a result of the implementation of a strict

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stabilization program. The state kept growing small as indicated by the fact that the number of public service employees in Albania in 1999 constituted 4.2% of the population, as opposed to 7.7% in OECD countries or 6.2% in other transition economies. According to a 2004 World Bank Report, the general government expenditure for the 1999 – 2002 period was reduced from 32% to 29% of the GDP, which was lower than any other country in the region or OECD. As the World Bank approvingly notes the Albanian government is relatively small, and much smaller than any of the other transition countries.

Some negative phenomena such as increased levels of bribery in the public administration were also, in large part, a direct consequence of the so called shock therapy approach that was implemented in Albania under the guidance of international financial institutions. As we have already seen, one of the key components of the stabilisation program that sought to limit inflationary pressure in the early 1990s was the control of wage growth and the reduction of public expenditure. According to the Albanian National Institute of Statistics, INSTAT, in 1997 the average salary in the public sector was 63.9 US$ per month. If we accept a subsistence minimum of 11,678 Lek per month (around 70 US$ with the 1997 exchange rate) as calculated by Llubani (1997, p 129) than we can see that the average wage in the public administration was well below the subsistence minimum.
Furthermore, other estimations by Muco (1996) showed that the average salary in the private sector in 1995-1996 was three times higher than that in the public sector; the average wage in the private sector during 1996 was US$ 200 compared to less than US$ 70 in the public sector, while during the same period the average monthly salary of an emigrant in Greece was US$ 400 (in Cuka et al., 2003, p 220). The same trend in the reduction of the real wage of public salary employees continued after the 1997 crises when tight monetary and fiscal policies were introduced again. The 1998 Albanian budget that was designed under IMF supervision stipulated a 20% wage increase for public sector employees which did not even compensate for the 42% inflation registered in 1997.47 This does not even mention the fact that the public administration ‘reform’ in 1998 also stipulated the dismissal of between 10,000 and 15,000 public employees, an integral element of the agreement between the Albanian Government and the IMF, which sought more to ease pressure on the public budget than to reform public administration.48

The extremely low levels of salary in the public administration during the 1990s, and the growing gap between salaries in the public and the private sector combined with heightened levels of job insecurity in the public sector, all contributed to the increase of levels of bribery. Low salaries were cited as the single most important cause of corruption in Albania by civil servants in a 1998 survey conducted by the Albanian Centre for Economic Research (ACER) and the World Bank (WB). In this survey 90% of the respondents thought that low civil servant pay was the major cause of corruption in Albania.49

Indeed, bribery amidst public employees, such as policemen, was at times openly condoned in the Albanian Parliament in the early 1990s as a necessity to survive given the extremely low salaries. The low levels of salaries as a source of corruption in state

48 Ibid.
institutions was widely recognised by a number of international organisations too. In its 2002 evaluation report the Group of State Against Corruption (GRECO) recommended that conditions of the judges needed much improvement as their salary was not enough to sustain a normal family.\textsuperscript{50} In the same fashion in a 2001 Report the EU Commission recommended better salaries as it recognized that salaries in the Albanian Public Administration were “too low to motivate personnel and to reduce the temptation of corruption.”\textsuperscript{51}

\textit{The Neoliberal Discourse on the State}

In the neoliberal discourse many of the economic failures of Albania were traced in the intervention of the State into the economy and society, hence the cure for many of Albania’s woes was sought in rolling back the state and bringing in the market. Overall, the neoliberal discourse in Albania portrayed the State as a source of corruption, waste, inefficiency, unfairness, and distortion against a view of the market as honest, efficient and fair.\textsuperscript{52} Here the neoliberal discourse of corruption fed and built upon the existing anti-politics discourse that constantly denounced the Albanian political class and its public institutions.\textsuperscript{53} As far as the Albanian political system was concerned the key contribution was to raise perceptions of corruption. As a report evaluating anti-corruption programs in South-East Europe concluded: “these campaigns raised awareness about corruption and highlighted the problem but did not reduce the perception of corruption in SPAI countries (Albania,}

\begin{flushright}
\footnotesize
\textsuperscript{51} CEC (2001), Report from the Commission to the Council: On the work of the EU/Albania High Level Steering Group, in preparation for the negotiation of a Stabilisation and Association Agreement with Albania, (Brussels: Commission of the European Communities). P 12.
\textsuperscript{52} This is a process that I have explored in my PhD thesis \textit{A Discourse Analysis of Corruption: Sustaining Neoliberalism Against Corruption in Albania}.
\end{flushright}
Along the same lines Smilov argued that one of the results of the anti-corruption campaigns was that they raised “dissatisfaction with politicians” and brought about “the delegitimizations of governments.” The central message they conveyed, as argued by another report on anti-corruption programmes in the region, was that “the political system of the country [was] dominated by corrupt actors, which [led] to economic underperformance, poverty, etc.”

In the case of Albania such reports found that anti-corruption campaigns by rising awareness about widespread corruption, but by not actually reducing levels of corruption produced “a corresponding decline in trust in public institutions and politicians, creating a spiral of perception that regards corruption as inevitable.”

Anti-corruption public awareness campaigns in Albania typically targeted local politicians. The central message of one the most successful public awareness campaign for example, organised by Mjaft! (Enough!) a USAID funded organisation had as it central message the corruption of the Albanian political class.

The message that the Albanian political class was corrupt resonated well with, and further enhanced, the dominant anti-politics discourse that traced every failure of the country to its political class. The anti-corruption awareness campaigns contributed thus in further undermining trust

58 One of Mjaft! posters labelled “Enough with Corruption!” featured the Albanian national hero Scanderbeg saying; “Albanian Politicians, I did not bring you corruption, I found it in your midst!” The message quite intelligently played upon an expression that supposedly Scanderbeg said to his troops after defeating the Ottomans in 1444; “I did not bring you freedom, I found it in your midst!” This is a very famous expression which every Albanian learns as a kid in school. To see the poster go to www.mjaft.org or click http://www.mjaft.org/en/media_promocion.php Last accessed 3 May, 2010.
in local political institutions, especially regarding politicians and political parties. Most of the public opinion surveys showed that Albanians thought politicians were the most corrupt social category. A survey conducted by the National Democratic Institute (NDI) in Albania in 2005, showed that 84% of the respondents thought that political leaders were corrupt. See Figure 2 below.

**Figure 2: PERCEPTIONS OF CORRUPTION**[^60]

In a similar fashion a very high percentage of those interviewed thought the public administration was very corrupt. The growing distrust of local politicians and local institutions contrasted deeply with higher levels of trust in international institutions. The same survey showed that while the Albanian political parties enjoyed the highest level of complete distrust, the category ‘international community’ enjoyed the highest percentage of respondents who said they completely trusted them.[^61] The same pattern was found by other surveys later on. A 2009 Gallup survey showed that Albanian citizens had far more confidence in EU and NATO than in their local institutions. See table 6 below.

Table 6. LEVEL OF CONFIDENCE IN INSTITUTIONS IN ALBANIA^62

<table>
<thead>
<tr>
<th>Institution</th>
<th>Percentage of those that trust the institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATO</td>
<td>80</td>
</tr>
<tr>
<td>EU Institutions</td>
<td>75</td>
</tr>
<tr>
<td>Albanian Police</td>
<td>61</td>
</tr>
<tr>
<td>Albanian Religious Organizations</td>
<td>49</td>
</tr>
<tr>
<td>Albanian National Government</td>
<td>49</td>
</tr>
<tr>
<td>Albanian Courts</td>
<td>46</td>
</tr>
<tr>
<td>Albanian Political Parties</td>
<td>38</td>
</tr>
</tbody>
</table>

Of course other factors besides anti-corruption explain the popularity of institutions such as NATO. Its intervention against ex-Yugoslavia made NATO very popular in Albania. However, the growing distrust of the local political class was in part a consequence of anti-corruption campaigns which traced every failure of the country to corrupt local politicians, as opposed to inappropriate policies. The key anti-corruption international actors such as EU, the World Bank, or the USAID, never criticised the anti-corruption policies they recommended to Albania. Their failure was always traced to local corruption.

In the neoliberal discourse corruption was defined exclusively as *abuse of public office for private ends*. This meant that corruption became an exclusive and inherent feature of the public sphere. In theory if one eliminated public office completely than there could be no corruption. Such definition was used in order to push for more neoliberal reforms such as privatisation and extension of the market sphere. In this respect the focus on anti-corruption facilitated and

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legitimised a number of neoliberal reforms that aimed to primarily reduce the role of the state in the economy, to open up the local economy to international markets, and so on. However, this came at a high cost, in as far as the corruption discourse that fed on the dominant neoliberal policy undermined public trust in public institutions. In this respect the neoliberal discourse undermined the ability of the state and the public administration to successfully carry out the Europeanisation project.

**Conclusion**

Although in many respects the Europeanisation and neoliberal discourse were complementary, they produced two contradictory agendas. On the one hand the Europeanisation discourse produced a democratisation agenda that called for a strong political class, a strong state and capable public administration that would Europeanise the country by penetrating every social sphere and adopting EU values, legislation and administrative practices. On the other hand the neoliberal discourse produced an agenda that called for the constant reduction of the public administration along with the vilification of the public sphere in general and the state in particular. In short, while on the one hand the Europeanisation discourse presupposed a powerful state intervention into society in order to modernise it along European standards, the neoliberal discourse undercut such a premise not simply by calling for less state intervention, but primarily by undermining the capacity and

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63 The two discourses were complementary in at least three aspects. First, both discourses emphasised the importance of free trade, as well as the opening up of local markets to international, especially European capital. Second, both the Europeanisation and neoliberal discourses saw progress and development as something that would result from outside. In the Europeanisation discourse democratization would occur if Albania embraced European values, laws and administrative practices and overcame its local legacy. In the neoliberal discourse economic development would result if Albania opened up to the global market through free trade, while attracting foreign direct investment, which would help it overcome its local lack of capital and its problematic business practices. Third, both discourse emphasized the importance of the political elite and feared popular resistance to the reformation process.
credibility of state intervention. In other words the contradiction between the Europeanisation and the neoliberal discourses should not be understood simply as one between more or less state intervention, but as a contradiction between a discourse that identifies the state and the political class as agents of Europeanisation, and another discourse that identifies them as obstacles to development.

The growing gap between the law on paper and its implementation in practice can be explained in large part as a consequence of the two contradictory agendas produced by two otherwise complementary discourses; the Europeanisation and the neoliberal discourses. In the context of its EU integration process Albania has adopted a growing number of laws in trying to approximate its legislation with that of the EU. In the context of the neoliberal discourse the Albanian state and public administration has enjoyed decreased capacities and resources to implement the growing amount of legislation. The combination of these two contradictory drives has produced a growing gap between legislation and reality, giving rise to legislative inflation. The long-term consequence of such a development has been a weakening of the ‘rule of law’. This is not to say that culture, institutions or the behaviour of politicians did not play a role in the growing gap between the law and its implementation in practice. Their impact, however, should be understood within the larger context of two discourses that often have produced contradictory demands on Albanian democratisation.

The exploration of the contradictory demands that were produced by the Europeanisation and the neoliberal discourses in Albania is important also due to the fact that there is a widespread consensus in Albania that EU integration and democratisation are two complementary and reinforcing process. According to the dominant consensus EU integration and democratisation are one and the same process, insofar as the promise of future EU membership provides strong incentives and conditions for democratisation to take place in Albania. If I have succeeded to show that the contradictory demands of Europeanisation and neololiberalism have weakened
the rule of law in Albania, then the dominant consensus will have to be critically re-evaluated.
At the time of celebrating the 100th anniversary of independence, Albania will not be a candidate for European Union (EU) membership. The impact of this prospect is profound. It tells the story of a country, having spent more time in this century of independence with an Eastern rather than Western mentality. It also speaks to the lack of a clear historical compass, which would put the country clearly on the Western path.

Albania today is a hybrid state in terms of its Western identity. It is a state that meets the basic criteria of NATO, yet it does not meet the basic criteria of the EU. Viewed from the institutional perspective, it has managed to get a passing grade of formal multiparty democracy. But the institutions created by this multiparty democracy are still not able to be considered as part of a functioning democracy. Institutions locate, or more accurately-said, occupy the space between the pluralist model and the true meaning of the Copenhagen democracy. Viewed from the historical dimension, Albania is where Turkey was during the latter half of the...
last century—a member of NATO, but one for which a place within the EU has not been found.

In fact, in this respect the difference when compared with Turkey puts Albania, which has the advantage of free travel for its citizens, in the upper hand. While in institutional terms, compared with Albania, Turkey has had the advantage of being a candidate for membership since 1999. The country thus is still in a state of uncertainty for the determination of its historical development. And in the coming decade it will have three options for its European future.

**Three Scenarios for the Next Ten Years**

The first option is that of tolerating the current hybrid situation so that Albania continues to live in the space between NATO and the identity characterized by its own lack of EU identity. The country has already begun to accommodate such an option by losing its request for candidate status, on the one hand, and by not committing to meet the explicit requirements of the EU, on the other. In turn, we are dealing with the rational decision-making of the elites. Their decision could come from the perception that the country is unlikely to join the EU anytime soon; so this long waiting period—which could be spent on reforms—should be given to rapid economic growth, leaving aside other aspects of growth of the country (and fundamental freedoms, rule of law, etc.).

This option can endure for a while, but not very long. Countries that have successfully developed this model, as the Turkey of-old (or earlier South Korea) are states with very large markets, and immense domestic and exporting capacity. Albania has neither one nor the other. The country is dependent, more than one may think, on its connection to the EU. Lately, even the basic geographical factors, point to the idea that Albania can not be an “eastern island” in the western extension of Europe.

The second option is the “Ottoman process” toward a European
future. After the integration of Croatia, the EU will be faced with a level of problems reflective of, in some way, the influence of Turkey on the remaining countries. Albania, with its long length of processes is removed from the group of candidate countries (now Montenegro and Serbia, Macedonia—even though it suffers from current ethnic divisions). If it continues to stall, Albania will enter the group of dysfunctional states such as Bosnia-Herzegovina and Kosovo. These two dysfunctional states, in addition to other issues, face the unresolved issues pertaining to their territory, and consequently their sovereignty. One such factor is very significant for Albania: the eventual undoing of Bosnia-Herzegovina and eventually Kosovo (or vice-versa) will be inherently connected to the capacity of Albania for integration. To these complications, we should also add Macedonia’s potential for implosion.

In the event of border changes, a united Albania with Kosovo would need to harmonize the two former institutions of independent states, which would further delay integration. On the other hand, unification with Albania would automatically overcome the stage of stabilization and association and membership in NATO for Kosovo. All the complications associated with such “unfinished states” should be added to the larger “Ottoman” framework. Turkey, with its current political dialogue with Europe, is not seen as a future member of the European Union. In this capacity, the unofficially rejected state, Turkey, has fostered relations with the states, which coincidentally have large Muslim populations and are behind in their integration.

Indeed, the entire next decade, could be spent in such a state, which would consequently bring to importance for Albania another historic date: when celebrating the 100th anniversary of the 1923 Turkish Republic founding by Ataturk, it could very likely be that along with Turkey, Albania, Bosnia-Herzegovina, Macedonia and Kosovo will not be part of the EU.

The third option is “post-Meciar.” If personalization is excluded, in other words the attempt to identify one leader with another, it will then in effect remove the topic of debate, and leave the valuable
lesson of Slovakia’s European transformation. Slovakia in the first part of its life as an independent state was dominated by a policy, which was the product of a pluralistic multiparty system, but that actually veiled the issue of a true functional democracy. The Prime Minister Meciar era was characterized by corruption and authoritarian tendencies, followed by the inevitable clientelism. Only when a critical point was reached did the entire political spectrum of the right, center and left (with great support from civil society) reach consensus to change this form of government. Rapidly Slovakia undertook mass transformation. Albania now faces a dilemma similar to what Slovaks had, though, of course, with completely unique domestic conditions.

**Conclusions**

All three options are possible for Albania. Options one and two can be developed with inertia. If nothing changes in the life of the country, media, politics and state institutions, one can easily predict how Albania could fall deeper in the East, while the former symbol of the East, Turkey, falls deeper into the West. The third option is very much dependent on the EU. The EU — which has entered a period where it will take an “enlargement pause” to address domestic issues and its role in the world— has lost the proactive sentiments it had toward countries with a European perspective. Thus, the third option depends very much on the Albanians themselves.
Albania Since 1989: The Hoxhaist Legacy

BERND J. FISCHER

Introduction

When Enver Hoxha, Albania’s long-time Stalinist dictator, was buried with honors under the socialist realist statue of Mother Albania in the Martyrs’ Cemetery in Tirana, the date of his death was omitted from his tombstone. Ramiz Alia, who followed Hoxha as party secretary, was responsible for the omission, arguing that such a man could never die. Unfortunately for Albania, still mired in its transition and heavily influenced by its Stalinist past, Alia may have been right. Certainly the most brutal aspects of the Hoxha regime, including its state-of-siege isolation, its political murders, its prisons, its forced labor camps, and the hardships of long internal exile are gone. But aspects of its intolerant authoritarianism, the general disregard for the well-being of its people and the best interests of the state on the part of the elite, brutal uncompromising politics, and lack of a rule of law, have obstructed the path to Albania’s broadly articulated goals of establishing a functioning democracy and market economy, and Euro-Atlantic integration.
The Hoxha Regime

That the Hoxha period left a profoundly negative impression on post-communist Albania is clear. Still, some historians have credited him with achievements in specific areas such as health, education, and women’s rights. Despite grinding poverty, he did diversify the economy and society through a program of Soviet-style industrialization, he raised the standard of living, and he reduced the impact of divisive factors on Albanian society, such as regional and clan loyalties, the traditional north-south division, and the occasional tension associated with four distinct religious groups. And he did defiantly and doggedly defend Albania’s territorial integrity and independence.

But while some Eastern European dictators mellowed with age, Hoxha became more extreme building his regime on terror administered by his extensive security apparatus – positioned around the dreaded Sigurimi, the secret police – which allowed Hoxha and his state into not only the homes but also the minds of Albanians. They were cowed into a fearful state of conformism and apathy, with their thoughts kept secret, and like their leader, paranoid and suspicious of all around them, losing their sense of personal dignity and responsibility. The Albanian Party of Labor (APL) and its members fared little better, for Hoxha ruthlessly eliminated his colleagues – no communist regime experienced such repeated purges and decimations. Ultimately power was restricted to a small group bound together by traditional ties of family or clan loyalty, and their common complicity in the continuing murderous purges. But even these people were not safe, and as a result little in the way of active dissent could be found anywhere in Albania.

The Collapse of Communism in Albania

When Hoxha died in 1985 he was succeeded by his protégé Ramiz
Alia who, among other challenges, was immediately faced with increasingly serious economic and social problems. These resulted in part from the usual plague of over-centralization, persistent often inept interference from the center, further complicated by high birth rates, overcrowding in the countryside and increasing unemployment. Albania’s economic woes were further exacerbated by inefficient enterprises, widespread corruption and constant shortages of basic goods. In the midst of this looming disaster, Albania entered the television age with over 200,000 sets by 1985, affording Albanians the opportunity of a glimpse of the outside world via Yugoslav, Greek, and Italian stations and adding to the growing disaffection. By the late 1980s, as the repressive aspects of the regime were gradually reduced, alienated segments of society became slightly bolder. Alia, who recognized the growing political, social and economic crisis, did not handle this increasingly complex situation very well. His response was always reactive, tinkering with the structure when it was already too late.

To his credit, he lessened his reliance on the Sigurimi, but he was pushed into reforms in fits and starts, which prevented him from developing anything like a cohesive program. Perhaps his biggest problem was his goal, which was to preserve the system while instituting minor technical adjustments. Events, including the expanding revolutions elsewhere in Eastern Europe – in particular the rapid fall and execution of Nicolea Ceaucescu of Romania – stimulated the Albanian leadership to push this grudging minimalist reform further. But the communists slowly lost control as disenchantment amongst the population found more active expressions including spontaneous strikes and demonstrations, while the government became increasingly reluctant to use its still extensive security apparatus. At the emergency 9th plenum of the party in January 1990 the leadership voiced criticism of Mikhail Gorbachev and refused to consider political pluralism, hoping to contain the situation with baby steps in terms of minor economic decentralization.
That this was not working and that a degree of panic was setting in is indicated by the rapid convocation of the 10th plenum in April that took more dramatic steps. At this important meeting, the party essentially reversed the 1967 degree which had abolished religion in Albania, reinstituted the ministry of justice which Hoxha had dissolved in 1966, after declaring that the ideal of “socialist justice” had been achieved, and removed the 1976 restriction on foreign investment. Alia continued to hope that communism could be saved through gradual change but as with others like him in Eastern Europe, he underestimated the seriousness of the crisis and was overwhelmed by the momentum of the growing revolt.

By the spring of 1990 with little hope of an economic turnaround, Albania was faced with a slow decline in public discipline. More and more workers, those who were still employed, failed to show up for work. Peasants, who still made up the vast majority of the population, refused to deliver food to the cities and stole state-owned animals. Rage was exhibited as well as people took revenge on the state through the destruction of state property – including government offices, and schools. By July the regime’s very legitimacy was called into question when it was faced with the spectacle of thousands storming western embassies in Tirana seeking asylum, while thousands more commandeered rusty boats in Durrës harbor and fled to Italy.

The next months saw the development of an increasingly radical, violent, and confrontational street culture of a random and anarchic character that took hold in almost all of Albania’s cities and towns. The final push towards political pluralism, and with it the eventual end of the regime, came from students, particularly those from Albania’s only university in Tirana who unlike the majority of the intellectuals were willingly to risk open defiance of the government. Alia was concerned enough to send Dr. Sali Berisha (see box), who had been one of the first to openly advocate political pluralism and was assumed, therefore, to have some standing with the students, to act as a mediator. Berisha very skilfully used his role to commandeer
and then direct the protests, which by December had finally pushed Alia to give up Europe’s last political monopoly and schedule new elections. On 12 December, once such a thing had become legal, the Democratic Party (DP), with a rather ill-defined ideology but based generally on democracy, market economy and national reconciliation, was born – with Berisha in a leading role.

But it required two difficult elections, during which the country nearly fell apart, before Alia was finally ousted and the transition could begin. Albania had no experience with pluralist elections and no tradition of political parties on which to draw. The new DP had little organizational experience, minimal external political contacts and severely limited financial resources. On the eve of Albania’s first multi-party election in March 1991 the party was not only without a clearly articulated program – no clear policy on land reform, and vague notions about visas to Europe and admission to the EC - it was also without the means to spread these ideas. The party had only eight automobiles. The APL, conversely, despite rapidly deteriorating conditions, had well entrenched national organizations, control of all radio and television and the support of Albania’s conservative peasants who had little in common with the DP leadership and its urban supporters.

In an atmosphere of tense anticipation, the APL won two thirds of the seats in parliament. Fatos Nano, a young economist and protégé of Hoxha’s wife but who seemed to favor the party’s new moderate forces, was appointed prime minister. In increasingly difficult circumstances, Nano was responsible for some important achievements, including continuing to open Albania to the world, a policy begun by Alia, and the adoption of a provisional constitution which endorsed political pluralism and freedom of religion, guaranteed human and civil rights and, in a symbolic move, reduced the name of the country to simply the Republic of Albania. The energetic Nano also saw the need for significant changes within the APL itself and he took the opportunity to do so at the 10th party congress in June. Under Nano’s guidance the party
renamed itself the Socialist Party (SP). Fatos Nano was elected party president and proclaimed a new program based on the principles advocated by West European social democratic parties. He declared himself dedicated to a gradual transition to a market economy while strengthening international ties. As a concrete and symbolic gesture of change, Nano dissolved the dreaded Sigurimi in July.

Despite these significant political changes taking place in Tirana, the country in general simply continued to degenerate into chaos. The security apparatus, particularly the underpaid demoralized army, continued to disintegrate, basic services collapsed, food production and distribution lagged, both internal and external immigration continued, while violent demonstrations and destruction of property increased. Cities became unsafe, particularly at night. Alia had ordered the removal of the last statue of Stalin in December 1990. In February 1991 demonstrators destroyed the larger than life size golden statue of Hoxha in the main square in Tirana, while others repeated the process in smaller towns. The old guard resisted by organizing and arming the so-called Enver Hoxha Voluntary Activists Union, which along with some elements of the security apparatus organized pro-Hoxha rallies throughout the country and did manage to detain and occasionally torture hundreds of the most outspoken critics of the regime. There appeared to be a threat of civil war.

These conditions were exacerbated by a virtual economic collapse – by mid 1991 only some twenty-five percent of the state’s productive capacity was operational. In May the already paralyzed government was faced with a nationwide strike, organized by newly independent labor organizations. The government appealed for foreign help and received some in the form of Operation Pelican, a coalition of the willing spear-headed by Italy which was having trouble coping with the massive influx of refugees. The operation, led by 750 Italian troops, provided up to 90% of Albania’s basic food needs until the end of December 1993 when the mission was declared complete. While starvation, which had become a tangible threat, was averted,
the general decline continued, making it impossible for the Alia/ Nano regime to stabilize. In June, soon after the party congress, Nano was replaced by Ylli Bufi and a “Government of National Stability” that included seven DP ministers.

The new government had a very limited mandate which included attempting to deal with the economic crisis and preparing for new elections, which the DP had been demanding for some time. The first goal proved beyond the government’s capacity and the internal situation only deteriorated further. A particularly severe winter gripped the country in 1991. There was no fuel – and no real functioning economy. Serious disturbances continued. In December 1991 Bufi was replaced by the more able Vilson Ahmeti who called together some independent technocrats who did at least adopt a new electoral code and managed to finally schedule new elections for March 1992.

This time the DP, which had withdrawn from the coalition government in December, had time to prepare, having received both advice and funding from the increasingly active, anti-communist, diaspora. During the campaign, Berisha as always was perhaps too lavish with his promises. Among other things, he suggested that a DP victory would result in a massive influx of foreign aid as well as increased quotas for visas to the West – ironically very much in line with what he continues to promise today. His platform also called for radical political and economic reform and the restoration of law and order. All of this was delivered with Berisha’s dynamic campaigning and personal tenacity. In the end, in a generally fair and honest election, the DP won a substantial victory. The party gained over sixty percent of the popular vote, doing well in both urban and rural constituencies. Ramiz Alia resigned in April and the new parliament elected Sali Berisha as Albania’s first post-communist president.
President Berisha in Power, 1992-1997

Sali Berisha’s task was more than daunting and he attacked it with energy and uncompromising determination. At least in the initial period, he was able to achieve some far reaching political, economic, and social reforms. Berisha began by rapidly dismantling some aspects of the previous one-party state. He removed communist symbols from the coat of arms and the flag, and banned the APL. Wide-ranging purges were carried out in all of the ministries and remaining security organs.

Early economic and social change was much more profound. The process of privatization began prior to the Berisha presidency but significantly accelerated under the new government which enthusiastically adopted the International Monetary Fund’s (IMF) macroeconomic stability package, or the shock therapy approach. This program, which had done well elsewhere, included rapid privatization, removing restrictions on imports, abandoning price controls, and phasing out subsidies to unprofitable or even marginal businesses.

These policies, supplemented by nearly one billion dollars in foreign assistance (1992-1995) and 350 million dollars in immigrant remittances, did reverse the trend pushing the GDP into positive numbers again by 1993. But the costs of these programs were heavier than they were elsewhere. First, the economic turnaround was based principally on consumption rather than on manufacturing and agriculture, resulting in a massive foreign trade deficit. The cost to the average Albanian included extensive unemployment and for the tens of thousands who had become dependent on government subsidies and government services, which were cut significantly in line with IMF instructions, even deeper poverty. While some of course thrived, for most the concepts of democracy and a free market economy became synonymous with insecurity and hardship.

The social changes accompanying this upheaval were also profound. Seemingly overnight, Albanians were released from one
of the most restrictive and isolated social structures in Europe. New found personal freedoms were perhaps best exhibited through automobiles, televisions, and simple mobility. During the Hoxha years, private automobiles had been outlawed so that by 1989 there were no more that 200 cars in the entire country. Once the restrictions were lifted, used cars, many of them stolen, were imported by the tens of thousands so that, by 1992, Albanians were driving 120,000 private vehicles. The lifting of Albania’s draconian travel restrictions not only allowed hundreds of thousands to flee abroad, but also resulted in extensive internal migration with entire poverty-stricken northern villages resettling in hastily constructed squalid shanty towns near Tirana and other cities. Even the past was changed, with history cleansed by the new leadership at the Albanian Academy of Sciences which oversaw the production of new textbooks focused on the contribution of the nationalist forces during the Second World War. Religious freedom was confirmed and while there was periodic tension, and Berisha’s adherence to the Islamic Conference in 1994 raised some concern abroad, religious issues did not become major political issues.

While some of these social changes can be considered at least partially positive, others were decidedly not. New found freedom led to a rapid rise in both organized and random crime, in a country that had been relatively free of petty crime. Albania proved ideal for the rise of international criminal organizations. It was a poor area in a chaotic state surrounded by wealthy countries, with a legacy of clans which provided organization and codes of conduct, and many unemployed former secret policemen with special talents and networks for sale. These new criminal organizations were able to take advantage of the breakdown of the law enforcement system, porous borders, a growing diaspora and migrant labor population which often served as a vehicle. The insecurity in the Balkan region in general – in particular the collapse of Yugoslavia and the sanctions imposed on what remained offered unique smuggling opportunities, similar perhaps to the period of prohibition in the
United States. Individuals in these brutal organizations maintained their old contacts with the political class to the extent that the state became further ensnared. Violence was further increased by the revival of blood feuds, which continue to be a scourge in the north of Albania.

The end of communism also brought in its wake a significantly deteriorated status for Albania’s women. While Hoxha, at least in theory, held to the Marxist concept of gender equity, with the beginning of the transition even the fiction of equality disappeared. During the Hoxha years rural women especially did see some benefit. For the first time they had access to medical care and education for their children. They could leave the house to meet with other women, participate in politics and own property. With the collapse of communism traditional attitudes and actions resurfaced, often returning women to the role of chattel. With the coming of significant unemployment, women were always the first to lose their jobs. They found themselves once again confined to the house, tending to many of the family’s basic needs. To be sure, the new Albania provided women some benefits, including freedom of contraception, and eased abortion and divorce restrictions, and enhanced mobility. But much of this was offset by the return of patriarchal predominance, the virtual disappearance of women from politics, and new dangers including pornography and crime, and abduction for purposes of sex trafficking and rape – the latter being ills generally new to Albania which continue to be concerns today.

Still, social and economic trends could be said to be moving in a generally positive direction. The same can not be said of politics which remains a major problem. The authoritarian and intolerant nature of Albania’s elite precluded the negotiation and compromise which was desperately needed for Albania’s new political forces to move steadily in the direction of democracy. Despite his singular courage during the last stages of the old regime, Berisha seemed unable to distance himself from an unhealthy political culture.
He ultimately proved to be the poster child of old school politics with the DP becoming his personal vehicle to increased power. He refused to allow any internal dissent within the party, and when his policies were questioned and the continuation of his presidency challenged, he struck out with everything at his disposal – willing to use violence and willing to undermine Albania’s fledgling democracy in the process.

President Berisha’s political honeymoon was rather short-lived. Although the DP won the local elections of July 1992, it polled only 43% of the vote down from 65% in April. This outcome resulted generally from continuing, even growing, insecurity, popular disappointment with the pace of economic recovery and reform, discord within the ranks of the DP and overconfidence on the part of Berisha. Progressive elements within the party accused him of ignoring socio-economic problems, of cronyism in order to augment his power base and attempting to mask his failure and growing authoritarianism through settling of old scores and vengeance against former communists.

Much of the criticism was justified. Berisha was increasingly influenced by former political prisoners who were uninterested in the original DP platform of national reconciliation. Although a former low-ranking communist functionary himself, Berisha found revenge against former communists useful in distracting the population. One certainly expected that many former communists would be replaced but Berisha launched a wholesale purge of the security organs, the ministries, and state administrative structures. Since there were not nearly enough qualified DP militants to fill the vacancies, Berisha required the University of Tirana to construct a six month “how to be a judge or prosecutor” training course which enrolled many who had no legal background whatsoever. Those within the party who objected to this procedure were simply removed. With his new judges in place Berisha targeted, among others, former politburo members like Alia and Hoxha’s widow. Their trials had many of the attributes of traditional communist
show trials, including television coverage and young unqualified judges humiliating older defendants. Fatos Nano, too, was arrested on corruption charges and in what many observers saw as primarily a political trial, was sentenced to twelve years in prison.

As Berisha’s authoritarianism intensified, Albania’s fledgling new media became a target as well. Given the lack of an underground or dissident press during the Hoxha period upon which to build, the construction of a free press was complex in Albania. With radio and television remaining under state control, Albania’s first independent print reporters were challenged by the concept of press responsibility. Press outlets themselves tended to be the mouthpieces of political parties and therefore highly partisan. Employing invective reminiscent of the Hoxha era, much of the press became increasingly critical of Berisha. The president struck back with violence and through his courts. Policemen and thugs, often interchangeable, attacked the offices of the opposition press as well as individual reporters. A restrictive press law was passed in 1993 which instituted high taxes, allowed for heavy fines and imprisonment, and did much to cow the press into silence or self-censorship, which in turn encouraged the people to question the value of print media, reducing readership. Even today Albania has many newspapers but remarkably low circulation rates.

With every election, the president came under greater pressure and in response became more authoritarian. By 1994 the Berisha regime had finally readied a new draft constitution which would have further augmented the power of the president. Lacking sufficient support in parliament, Berisha referred the constitution to a popular referendum, but despite extensive manipulation lost by a wide margin. Stunned and angered, the president became even more determined and began planning early for the upcoming parliamentary elections of May 1996, with which he intended to cement his power.

Albania had degenerated into an illusion of democracy with an isolated authoritarian president, facing no effective parliamentary
opposition supported by an overly large highly politicized security apparatus. While some in the West continued to support him as the road to stability – Italian politicians referred to him as “the good doctor” – the important support of the United States was effectively undermined by the heavily manipulated elections of 1996. With the electoral defeat of 1994 fresh in his mind, in 1996 Berisha was leaving nothing to chance. Preparations began in 1995 with the introduction of the so-called “Genocide Law,” which barred former top ranking APL and state officials, as well as communist era secret police informants from holding political office until 2002. After selectively releasing files, Berisha was able to disqualify 142 parliamentary nominees, only three of whom were Democrats. A series of other changes in the electoral law also clearly favored the DP.

The campaign itself was reminiscent of communist era propaganda with Berisha branding the opposition, whom he accused of terrorism, as the “Red Front” subsidized by Albania’s traditional enemies the Serbs and the Greeks. Security forces and thugs were used to disrupt opposition political meetings, harass and physically attack opposition supporters and candidates, and the press. On the day of the election, the situation deteriorated further to the extent that the Socialists withdrew from the election two hours prior to the closing of the polls claiming, with some justification, that the DP was perpetrating a massive fraud.

President Berisha was elated with his victory – the DP now controlled 87% of the seats in parliament, was in firm control of the police and the courts and had cowed the media. The principle of the one-party state had been reconstructed. The cost of this victory, however, was enormous. The election was roundly condemned by the US, the EU, various human rights organizations like Helsinki Watch, and monitoring groups like the Organization of Security and Cooperation in Europe (OSCE). The US, which until this point had been Berisha’s strongest supporter, suggested that the entire election be rerun, while members of the opposition compared the election to a coup. The 1996 election was viewed as a litmus test of Albania’s
commitment to democracy and speedy reform and Berisha had failed the test. Despite the progress for which he was responsible, Berisha’s domestic and international credibility was badly tarnished by this episode and has yet to fully recover.

**The Popular Revolt of 1997**

Before the president could even attempt to deal with the outcome of the 1996 election, he did much to create an even more serious crisis which not only eventually swept him away, but caused what could be considered Europe’s first successful popular armed uprising since the nineteenth century.

In the existing atmosphere of political tension and stalled social and economic reform, it likely would not have taken much to push Albania over the edge. The crisis began with the collapse of a series of pyramid investment schemes. In many ways, Albania was ripe for such activity given its cash economy, the large amounts of currency controlled by criminal elements, and the considerable immigrant remittances which continue to make up some 15% of the GDP to this day. The schemes began rather slowly in the 1990s but by the summer and fall of 1996, as those who had invested early began realizing massive profits of up to 50% a month, they expanded dramatically ultimately involving 65-75% of all Albanian families. The funds likely collected at least a billion dollars. Many impoverished Albanians sold everything they had including homes, farms, livestock and personal belongings fully expecting to live off of their investments for the rest of their lives.

The schemes expanded because there were so few areas of legitimate investment in Albania and because scheme managers effectively argued that they had diversified and had essentially become successful investment bankers. They also expanded because of the astonishing failure of the leadership on all sides with both the DP and the SP benefiting directly from specific schemes. Senior government
officials ignoring, albeit belated, IMF warnings called the schemes good business and attacked those few in the media who were critical.

Inevitably, as pyramids do, the schemes began to falter. As they did so, by January 1997 popular panic set in and protests, which quickly became violent, broke out in Tirana and some southern cities. In Vlorë, Lushnijë and Berat, angry investors attacked and set fire to government buildings, including city halls, courts, police stations, land registry offices, and DP offices. The police attempted to curtail this escalating violence but to no avail, as it became increasingly clear that hundreds of thousands faced financial ruin. The situation took a major turn for the worse when the large Gjallica fund collapsed in Vlorë in early February. The predominately Socialist seaport town erupted in violence and for days Berisha’s security forces battled the citizens before having to abandon the town.

The growing unrest spread rapidly to other southern towns where the Socialists were strong, often with the direct involvement of high ranking SP officials. With this crisis many Socialists and other party members saw an opportunity to finally be rid of Berisha. Many who had fled abroad, fearing Berisha’s vengeance, returned to help organize the resistance around disaffected former military and secret police officers, people whose experience with the concept of Hoxha’s long-practiced militia strategy would confound the government’s attempt to restore order by force.

By the beginning of March, spreading unrest had degenerated into full scale rebellion. On 2 March, Berisha finally proclaimed a state of emergency and issued a shoot to kill order, to be administered by the feared SHIK, the new secret police, which had already arrested hundreds in the capital. On the very next day, in a move condemned by the internationals and both domestic opponents and supporters, Berisha had his now puppet parliament reelect him to an additional five year term as president, after which parliament ceased to meet.

Berisha’s situation took a decided turn for the worse when the army began to disintegrate. Technically a force of 55,000 with hundreds of armored vehicles, the army proved to be less than
useless to Berisha. The president had purged the officer corps, replacing trained personnel with the usual party militants. This served to further demoralize the troops who already suffered from miserable pay and very poor living conditions. Rather than fire on civilians, soldiers simply went home, abandoning well stocked armories. The population, particularly in the south where Hoxha had stockpiled most of his weapons in anticipation of an invasion from Greece, quickly raided the weapons depots, eventually making off with close to one million Kalashnikov assault rifles with hundreds of millions of rounds of ammunition, tanks and artillery pieces and sophisticated Chinese surface to air missiles. While much of the latter was thankfully unusable, almost anyone can fire a Kalashnikov, allowing insurgents to take and hold large southern towns in which banks and government offices were sacked, shops looted and prisons thrown open. Ultimately every prison in the country was opened, releasing all of Albania’s convicted criminals, as well as those who were considered to be political prisoners including Fatos Nano, whom Berisha quickly pardoned.

The criminals rapidly armed themselves and added to the chaos and terror. By mid-March at least 15,000 Albanians had fled to Italy and an estimated two thousand had been killed. The country was being ransacked. Nearly every industrial and manufacturing plant was looted and destroyed – even schools and hospitals were not spared. Spartak Ngjela, the minister of justice, announced with considerable candor that “All structures of the state have failed. In this moment we are in a natural state, if you know your Hobbes.”

Still, Berisha had been able to hold on to Tirana – in part through SHIK terror whose headquarters was guarded by six tanks. He was also able to maintain control of much of the north, where ardent supporters had also broken into armories and swore to defend the president. As the insurgents began moving on Tirana, a full scale bloody civil war drawn along traditional north-south lines became increasingly likely. Although Berisha had pledged never to negotiate with “red terrorists,” once it became clear to him that
he could not rely upon foreign military intervention, he was forced into a humiliating compromise with those opposition leaders still at large in Tirana. On 9 March 1997, an agreement was reached which included the construction of a so-called national reconciliation government, the proclamation of a general amnesty for rebels, and new parliamentary elections, accompanied by a referendum on the restoration of the defunct monarchy of King Zog, both of which were scheduled for June. The latter was likely intended by Berisha to deflect at least some attention away from his own failure.

Although significant disorder continued, this political agreement and the arrival of foreign troops helped to avert the threatened civil war and an uneasy standoff ensued. Albania’s neighbors, fearful of yet another massive wave of unwelcome refugees, put together Operation Alba which commenced in April 1997. Finally responding to desperate pleas from Berisha, 6,300 European troops, with the Italians in the lead, dispersed throughout the south and central lowlands on what was billed a humanitarian mission. Although Albanian troops did not intervene in the fighting or attempt to disarm the now heavily armed population, they did create at least a modicum of calm during which another seriously flawed election took place.

Following some procedural agreements, including revision of the “Genocide Law,” the vicious and violent campaign led to possibly the least democratic election in post-communist Eastern Europe. The campaign process was marred by bomb attacks and several assassination attempts against Berisha who at one point was caught in a gun battle which wounded at least eight people. Actual campaigning was impossible for one party or the other in much of the country. There was little debate, with Nano, despite occasional vaguely progressive rhetoric, simply running against Berisha and rather disingenuously promising to compensate pyramid scheme victims. Berisha just ran against the communists. An added feature was the sight of the nearly seven foot tall pretender to the throne, Leka, campaigning with his small private army. Immediately after learning that the monarchy had been rejected, Leka declared the
election to be stolen and attempted an armed uprising. Dressed in fatigues, accessorized with pearl handled revolvers and grenades, Leka led a group of several hundred armed supporters along the principal boulevard in Tirana. To the surprise of no one, shooting eventually erupted and after one of his militants was killed, the pretender fled back into exile.

Berisha and the DP paid a heavy price for their adherence to the old ways, for their arrogance and incompetence, their intolerance and corruption. Albanians overwhelmingly voted against Berisha as opposed to for the SP, which was rewarded with 101 out of 155 seats in parliament. On 23 July, President Berisha resigned in disgrace. Despite the appalling example of democracy which produced this result, the international community had no choice but to sign off on the outcome.

Berisha had started with such hope – declaring to a large crowd in 1992 “Hello Europe, we hope we find you well.” And Europe had responded. But he had squandered the good will of the international community and the nation with his inability to move past Albania’s political culture of authoritarianism and rigidity. Perhaps it was too much to ask of him, or of any Albanian politician so soon after the collapse of Stalinism. But the damage brought on by this failure of leadership was enormous not only to the state and the well-being of the people, but also to the very concept of democracy and a market economy. Albanians who had yet to really experience either, found themselves wondering whether these goals were indeed worth achieving.

The Nano Years, 1997-2005

Fatos Nano had walked out of an unguarded cell in the middle of March 1997 and by the end of June he was again prime minister with a powerful mandate – it had been a remarkable political come-back and could have been used to accomplish much needed reform,
reconstruction, and national reconciliation. But like Berisha, Nano was a creature of his age and was immured in Albania’s political culture of revenge and authoritarianism. Rather than attempt to diverge from that culture, Fatos Nano in many ways was its embodiment. Nano, who had gained prominence as an economist at the Institute of Marxist-Leninist Studies, was considered a dedicated communist. While he was perhaps more open to reform than some of the dinosaurs on the politburo, he had opposed real pluralism and a market economy until the very end of one-party rule. But his native intelligence allowed him to rise quickly in the rapidly disintegrating APL and, as we have seen, he served briefly as prime minister in 1991 while still in his thirties. He surrounded himself with some of the old hard liners, side-lined many dedicated reformers and left little room for internal party discussion. His rhetoric in the run up to his second stint as prime minister, like that of Berisha, envisioned meeting the needs of the population, establishing a free market economy based on fiscal discipline, reducing corruption, and enhanced respect for human rights. The reality which Nano created was something quite different.

Nano set his tone early, and, like Berisha’s, it tended to be dogmatic, confrontational and initially at least, focused on the settling of scores. Like Berisha, Nano did much to undermine the notion of a civil service by initiating a broad-ranging purge of the security apparatus, the judiciary and the state administration, almost all ambassadors and generals. Albania’s recent historical past was once again rewritten under the close supervision of all new university rectors and new leadership at the Academy of Sciences. SP militants replaced DP militants. Once the judiciary was secure, Nano ended the ongoing trial of some thirty former communists, dropped the remnants of the “Genocide Law” and arrested prominent DP members from among those who had not fled the country. The prime minister, ignoring many of the reformers and foreshadowing later party splits, quickly constructed a government comprised of many from the former communist regime and almost all from the
south, not bothering to obtain party approval beforehand.

Nano quickly turned his attention to restoring some semblance of order, and was able to calm the south with the help of pro-Socialist criminal bands, who continued to play an important role in the SP government for years to come. The north was more problematic but by the end of November, stability was returning allowing Nano to focus on other critical issues, often simply continuing the policies of the previous regime. Certainly, slow progress on some issues was registered. Albania continued haltingly toward democratic consolidation, establishing the framework for a market economy, and international integration. Nano proved less oppressive when it came to press freedom and slowly growing civil society organizations.

Privatization continued, with the industrial base and banking system privatized by 2005. This has helped to at least set up the basic conditions for market-driven competition. Annual economic growth remained at about five percent during the SP years due mainly to construction, small businesses and the service sectors, but Albania had of course started from a rather low level in 1991. The Bank of Albania reporting that per capita income reached $2883 in 2006 but because distribution was extremely uneven, rural poverty remained a major problem with fully a quarter of Albanians living below the poverty line. It is likely that close to 50% of GDP came from criminal activities but the large influx of cash tended to keep the Lek, Albania’s currency, quite stable. Unemployment officially hovered around 15% but with the near subsistence farming in reality was likely higher than 30%, exacerbated by underemployment. Foreign direct investment remained very low and the business climate, restricted by a permanent energy crisis marked by daily disruptions in the supply of electricity and drinking water, serious environmental problems, extensive corruption, and a still developing concept of a rule of law, remained unattractive. With a high internal state debt and negative trade balance, economically Albania did little more than continue to creep forward.
Part of both the cause and effect of this painfully slow level of economic advance was the continuing problem of the brain drain. Although the various crises of course accelerated the process, even during periods of relative stability, Albanians continued to flee their country in astonishing numbers. A total of 720,000 Albanians are estimated to have emigrated between 1989 and 2001 representing well over 30% of the total population. Naturally, this number included many of the best and the brightest whose talents were very much needed. The professions, particularly health care and education, suffered. While under the Hoxha regime Albanians had been afforded some basic universal health care, with the collapse, village clinics were often destroyed and the medical personal assigned there often left for Tirana or abroad. Even in the cities, however, there was a significant degeneration of the system. Apart from the shortage of trained personnel and limited resources, the chairman of the parliamentary health committee estimated in 2006 that the level of medical technology was at least forty years behind Albania’s Balkan neighbors. He suggested that health care in general was in a state of crisis hobbled by a communist centralized bureaucracy pressured by a rudimentary market economy. This clash of systems resulted in extensive corruption, endangering the health of many.

Education, which had been touted as another success story under Hoxha, suffered from related problems. Apart from the lack of adequately trained personnel and resource problems, education – in particular the field of history – became a political battleground. Central to the struggle was the issue of resistance and collaboration during the Second World War, an event which continues to dominate the national psyche. The war remained something of a leit motiv during the communist period, conferring legitimacy on Hoxha and the party who labeled as traitors all those who failed to participate in partisan resistance. When the DP came to power, personnel and textbooks were replaced, with the new leadership of the Albanian Academy producing a new version of the war intended to “make science free of indoctrinated, political party tactics.” Instead, science
was captured by different indoctrinated political party tactics and new textbooks were produced reflecting DP reinterpretations of the war. Once the SP came to power, predictably, those books were withdrawn and replaced, moving Albania back to a view of the war somewhat closer to the original APL version. And so it goes – the topic remains a major issue to this day, while standards deteriorate and illiteracy, which had been effectively eradicated during the Hoxha years, is again on the rise. The education system in general remains in crisis.

Most of the socio-economic problems of the Nano period were at least exacerbated by the continuation of poisonous, often murderous politics, precipitated by the continuing inability of Albania’s elite to distance itself from its Hoxhaist past. The tone was set immediately in 1997 when the DP boycotted what Berisha called the new “parliament of Kalashnikovs.” Berisha escalated the usual invective by frequently referring to Nano as a criminal and a drug addict, while DP militants often degenerated into terrorist gangs. Following a DP rally, one such gang, consisting of dozens of heavily armed thugs, attacked Shkodër in February 1998 looting and burning the state bank and the university.

Later in 1998 Berisha took one step beyond his noisy obstructionism and attempted a coup. Political tension in Tirana increased during the summer of 1998 and then exploded in September with the assassination of the DP leader Azem Hajdari on 12 September, 1998. While there remains considerable confusion concerning who was responsible, the immediate aftermath constituted another serious political crisis. Berisha saw the opportunity and seized it leading some 2000 militants, many of them armed, into the streets with Hajdari’s coffin which was used to pound against the doors of Nano’s office. One group of demonstrators attacked and occupied the state-run television studios broadcasting the message that “we have taken over” while others looted central Tirana, shouting “death to Nano.” The prime minister panicked and fled to Macedonia leaving President Rexhep Meidani to call in the troops and disperse
Berisha’s ragtag militia. Following three days of chaos, along with eight dead and nearly 100 injured, basic order was restored.

Nano’s behavior during the crisis, as well as the animosity of President Meidani who disliked the prime minister’s excessive drinking and high-living, undermined him to the benefit of a young group of reformers within the party. Nano was forced to resign on 28 September 1998 and was replaced by the relatively untainted SP secretary general, Pandeli Majko. The thirty-one year old new prime minister was faced not only with the continuing challenge of crime, violence, and public disorder, but was also forced to deal with the deteriorating situation in Kosovo and Macedonia.

In the midst of these challenges, Majko did manage to oversee the adoption of a new constitution. With no functioning opposition and despite a DP boycott and general obstructionism, and with considerable assistance from internationals and popular input, the new prime minister approved a relatively progressive constitution which vested power in the prime minister and the cabinet, securing its implementation through a national referendum in November 1998. Majko was also in part responsible for Albania’s receiving much needed international approval for its moderate stance and cooperative attitude on the Kosovo war of 1998-1999 and the Macedonian violence of 2001, despite the DP playing the nationalist card and portraying the SP as un-Albanian and pro-Slav. Although these conflicts were not crucial factors in Albanian internal politics, internal instability was further challenged as Albania was inundated with refugees, principally fleeing Kosovars, who swelled Albania’s population by nearly seventeen percent in a two month period in 1999. Demonstrating remarkable selflessness, Albanians shared what little they had with the refugees and along with extensive foreign assistance, the Majko government was able to avoid what could have become a major humanitarian crisis – and both Nano and Majko were able to avoid war with Serbia. In general, Albania has avoided any serious long-term tensions with its neighbors since 1989.

Despite these successes, the hostile relationship between the two
major parties and growing instability at the top of the SP power structure continued to complicate Albania’s road forward. In October 1999 Nano, who had maintained the loyalty of a large group of SP deputies, was re-elected leader of the SP, defeating Majko who had hoped to solidify his position. Majko subsequently resigned as prime minister and was replaced by Deputy Prime Minister Ilir Meta, like Majko a former student leader, and a leading figure in the “reformist” group. Nano continued to intrigue behind the scenes forcing the resignation of a number of Meta supporters in the cabinet and blocking the appointment of their successors. Unable to resolve the crisis, an embittered Meta resigned in early 2002 to be replaced by his predecessor Majko. Within days, however, Nano had convinced the SP steering committee to combine the positions of party leader and prime minister, which effectively forced the resignation of Majko. Nano’s return as prime minister began with some promise, as the DP and SP had given in to European pressure and in July 2002 elected a consensus president in Alfred Moisiu, who proved to be quite effective in his limited role. But the period of reconciliation was short lived and Nano soon returned to monopolizing power in the party and government.

The SP of course also continued to battle the DP in parliament, on those occasions when the DP was not boycotting the body, in the streets, and in a series of bitterly contested elections in 2000, 2001 and 2003. These elections, although not as flawed as that of 1996, were accompanied by intimidation, violence, and manipulation. Party militants confronted each other in the streets, threatened voters at the polls, while party officials occasionally altered civil registries, and stuffed or stole ballot boxes. These and other problems resulted in frequent re-voting, protracted battles in Albania’s politicized courts, delaying the announcement of the results. None of these elections fully measured up to international standards, giving the opposition reason to question not only the legitimacy of the ballots but also that of the governments they produced. Once again, as a result of the enormous energy which these parallel struggles consumed,
real progress was slow during the Nano years. While many lived in poverty, criminal organizations acted with impunity, having infiltrated government at every level. Albania gained an unenviable reputation as a haven for traffickers who turned the state into both a major transit country and a major source country. The police and the courts remained politicized, inefficient, and corrupted. Albania was labeled one of the most corrupt states in the world.

Nano, who seemed comfortable with the status quo, likely would have remained the prime minister had it not been for a major split in his party in 2004. Ilir Meta, who had considered defecting as early as 1996, finally decided that he could no longer work with Nano and organized one of many new parties, the Socialist Movement for Integration, just before the parliamentary elections of July 2005. Nano certainly had other disadvantages going into the election. Corruption was growing, his lifestyle increasingly became an issue, and he seemed unconcerned as the nation struggled with several tragedies resulting in significant loss of life. And the DP ran an effective, generally professional campaign emphasizing an anti-corruption, or “clean hands” platform. But many Albanians were still wary of Berisha. It was the defection of Meta which resulted in the narrow SP defeat and a peaceful transfer of power, in what was one of the fairest elections Albania had ever experienced. Following the construction of a coalition, Berisha returned to power, this time as prime minister, taking office on 3 September 2005.

Conclusion

It is clear that Albania continues to move in a positive direction; in particular the economy and the business climate continue to improve. While there is perhaps no “new” Sali Berisha, he has abjured much of the violence and extremism that characterized his presidency. In addition new younger politicians, like celebrated Tirana mayor Edi Rama who became the new leader of the SP,
are offering Albanians real policy choices for the first time. There has even been some agreement between the two main parties, including a hastily passed constitutional amendment which will disenfranchise most of the smaller parties. This progress has been noted by internationals, as evidenced by the signing of the Stability and Association Agreement with the EU in 2006 and by Albania’s invitation to join NATO in April 2008.

But is it also clear that the old ways linger. Too much of Berisha’s energy in 2005-2006 was dedicated to enhancing his own power through increased control of ostensibly independent administrative institutions and local government units, and preparing to dominate the local and presidential elections of 2007. In February 2007 Albania conducted local elections which both international and domestic observers labelled as a step backward, followed soon after by the July 2007 election of the fifty-year old Bamir Topi as president. While he has shown promise, Topi is seen by many as a non-consensus DP president. Both elections were preceded by invective, and lengthy political crises which postponed work on needed reforms. The Berisha regime has been further buffeted by a series of unseemly scenes in parliament and high profile scandals which have undercut its corruption-fighting credentials. The most serious of the latter involved a deadly explosion at a munitions de-commissioning plant in the suburbs of Tirana which exposed not only the hiring of women and children for dangerous work, but arms trafficking that implicated individuals near and in the government.

These disappointments, too, were noted by domestic and international observers who continue to call for urgent action on electoral and judicial reform, increased attention to government corruption and government connections with organized crime, and the strengthening of the rule of law. That the legacy of the Hoxha regime, with its history of failed political leadership, has demonstrated resilience seems evident given that nearly two decades after the fall of communism, Albania is still struggling to realize its democratic transition.
My goal is simple – to offer an overview of some aspects of the twentieth century. My intention is to offer some comments and some areas where I think Albania can make substantial changes. Having said that, I will start by saying that the 20th Century for Albania was extremely grim. Albania is not the only country where that can be applied. Nevertheless, Albania’s experience is exceptionally harsh.

Albania’s Twentieth Century is about joining Europe and that goal has not yet been fulfilled. In 1989, central Europe especially talked about re-joining Europe, for Albania is about joining as for much of the twentieth century Albania was really outside Europe in so many ways. Albania now finds itself with Kosovo and Bosnia and Herzegovina in terms of its European integration prospects. Not off the table but certainly distant.

I think the key question for all of us is how does Albania really get into the game and at the same time start to play a more influential and positive role for Kosovo and Macedonia too. A lot of time has
been lost – and a lot of people too who decided that change was simply too slow and decided to leave for greener pastures.

From 1878 to today Albanians of all ages have wanted to be “part of Europe,” or, in Albanian, “Shqipëria duhet të bëhet si Europa.” More specifically, this means that Albania moves away from its difficult past to the world and instead becomes a prosperous, successful, rich and equal partner to European or Western “friends and allies.”

Admittedly, this has been achieved *in part.* It is true that Albania has inched upwards in various indicators of rule of law, business freedom, democratic values and while still underscoring areas such as press freedom and corruption. Albania even became part of NATO which was a huge achievement.

However, this is also relative as everyone else in the region is doing better as well. Therefore, when compared with the rest of Europe and Central Asia, Albania today, as always, scores towards the bottom in most studies. UN Human Development Index, for example, always lists it in the company of Moldova, Macedonia, Kazakhstan, Tajikistan, Bosnia etc. (more or less in the last 10 spots). This obviously means that while they are doing better, they are still not closer to being equal partners in any way, as the level of difference between them and “European friends and allies” has stayed the same despite improvements.

The situation in Kosovo is equally troubling as recent events, such as the deeply flawed election and the sham attempt to make Bexhet Pacolli president tell us. Kosovo’s leadership is hard pressed to persuade the Serbs and others their commitment to minority or community rights when it is clear Kosovo can not provide democracy to the majority!

But let’s leave the present and look at the past and see what we can learn. Youngsters can still believe that one study history in order to avoid past mistakes. Real scholars know that is not true. Albania is a good example of a country that rarely learns from the past.

It always makes sense to go back to 1878 when Albanians appeared and were denied the kind of self determination that was
on offer to the other Balkan nationalities. This was a huge setback that reverberates even today for all Albanian communities. Given a very bad set of circumstances, Albanians turned to Austria-Hungary and began their search for a foreign protector. Given the regional circumstances, and the exclusively negative role played by Greece and Serbia at the time, one understands the Albanian need to find a foreign benefactor. With war in 1912 and 1913, the very fact that Albania gained a fragile independence must be viewed as a historic success and one that is owed as much to Austria as it is to Albanian patriots as we all know that Albania found itself ill prepared for independence. Also remember that the First World War could have just as easily started in Shkoder instead of Sarajevo.

The fact that Albania existed before World War is extremely important as without Albania number one in 1912-13 there could not have been Albania two in 1920 when Albania again sought a foreign benefactor. I see Albania’s 20th Century in a negative light although one needs also to look at the region as a whole – nevertheless, even in a regional context, Albania is always trying to catch up and Albania’s challenges appear to be the most severe. There were several key problems of the interwar period which have left a lasting impact: 1) disunity amongst Albania’s leading progressive thinkers allowed Albania to slip into authoritarianism – this story is best told through the conflict between Konica and Noli; 2) principles of Lushnje were abandoned; 3) failure to make a serious parliamentary democracy and engage the population – one thing about the period between the wars was that there were virtually no grass root movements. Elections to me are extremely important and since 1920 Albania has faced challenges in establishing representative democracy. I should note that even Fan Noli failed to appreciate the connection between elections and international legitimacy; 4) Albania’s borders were a historic failure made worse by the total abandonment of the Kosovo issue after 1925. While border revision was not an option, surely there were alternatives for Albania to play a role in this critical national issue; 5) a tendency to look to
bigger powers for solutions starting with Austria in 1878; 6) Noli’s paradigm of traitor one day patriot the next was the rule of the day; 7) the neighbors’ paradigm also triumphed – Albanians were not capable of self-government; 8) Albania has ended up with the status quo: Albanians did not get democracy, the peasantry did not get land reform, Albania gave up on the national question, Albania did not become European. In fact, one of Zog’s principal legacy is the beginning of the de-Europeisation of Albania. Enver Hoxha will put that finishes touches on that project.

These dilemmas served to shape Albania after the war, the triumph of Hoxha’s catastrophic form of socialism and Albania’s somewhat slow return to Europe. In 1989 and after, Albania was last again and some of the same failures of the interwar period were again evident. There was that same tendency to look for external solutions and this meant and over reliance on the United States which did not have a serious stake in Albania.

Disunity amongst Albania’s new reformers led to the disastrous polarization of Albanian political life that has had huge a cost, especially to the younger generation, many of whom opted to leave Albania. Moderates again were marginalized and the population was largely ignored or worst made to be pawns in an often rhetorical and theatrical struggle between Albania’s new elites. The failure to engage the public seriously is best reflected in the lustration battle that was unduly politicized and subsequently lost its relevance for the population who deserved an accounting of the crimes of communism. We therefore saw the return of Noli’s paradigm – patriot one day, traitor the next.

In terms of elections, we again see problems meaning that the electoral process has been flawed since 1920. In fact, it could be argued that Albania has never had a completely free and fair election. That flawed model, which is so dangerous for the future, is now on display in Kosova which went from a high electoral standard to a low one. Once the first election is stolen, it is very difficult, even maybe impossible, to put things rights again.
All this said, Albania needs serious re-branding – it has to break the cycle of seeing external policy as shaping internal policy, and Kosova too, of choosing stability over democracy. That last point is critical – one common thread of international policy towards the Albanians has always been seen as a choice between stability or democracy. Albanians need to end that dichotomy.

Albania also needs to act more decisively and pro-actively in the regional question. I am not taking about outdated and ultimately futile projects of national unification but the role Albania can play in promoting a cultural unification. I do believe that the challenges to Balkan stability still come from the Albanians, but not Albania. The big challenge is Kosova and Macedonia, and Tirana has a role to play. Being mindful of the past, but not manipulating it, will ensure Albania does in fact join Europe.
Family and Kinship in Albania: Continuities and Discontinuities in Turbulent Times

PROF. KARL KASER

This paper focuses on the Albanian kinship structure, family and household features in Albania proper as it was constituted as an independent state by the Great European powers in 1913. There have been differences in the political, economic and legal contexts with respect to the family in Albania and Yugoslavia since this time and therefore the history of the Albanian family follows divergent tracks in the course of the 20th and beginning 21st century. Whereas the complex family structures among the Albanian population in former Yugoslavia were left relatively untouched by Tito’s regime, Enver Hoxha’s regime in Albania practiced a brutal policy of suppression of the traditional and patriarchal way of life.

The 20th century was one of the most turbulent centuries in Albania’s history. It included state formation, nation building, King Zog’s dictatorship, a bloody war of resistance against the axis-powers’ domination in the course of WWII, the oppressive Communist regime,

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a rough period of transition as well as significant socioeconomic transformations such as urbanization, industrialization, de-industrialization as well as internal and external migration in the second half of this century and at the beginning of the 21st century. It is common wisdom that family and household are not only exposed to this kind of processes but constitute significant actors in these processes. The aim of this paper is to investigate continuities and discontinuities of household formation and reproduction as well as of family and kinship ideology in the course of this turbulent century from the beginning of the 20th to the beginning of the 21st century.

One of the methodological and theoretical tools applied here in order to rationalize family and kinship structures in Albania proper is the relationship between the character of the state, household formation and relevance of kinship. As already elaborated in more details elsewhere, a basic differentiation between a tributary and an interventionist character of the state is useful in this regard. Without the ambition of claiming universal validity of this model, at least Europe’s social relations in history have been co-shaped by the states’ and empires’ character families are embedded in. To summarize: tributary states or empires, which showed no ambition to intervene into the everyday practice of its population but were primarily interested in its tributes, taxes and loyalty constituted a fabric of strong family and kinship relations, whereas interventionist states were ambitious to establish an intensive relationship between the population and the public institutions. Whereas the tributary state did hardly mediate the social relations of its population, the interventionist state did.

Having this in mind, Albanian’s household formation practices and family-centered value system constitutes not a miracle any longer. Both constitute a still existing but slowly vanishing mirror of the past, when Albanian territories and population were exposed to a tributary system embodied by the Ottoman Empire and the weak Zogu-ist system. The Communist period represented a harsh interventionist system in combination with an isolationist strategy.
Not accidentally, this system intervened in family and household structures historically completely unknown in its intensity. The tributary “The winner takes it all”-political system of post-socialist Albania is, again not accidentally, accompanied by a phase of ‘re-traditionalization’ and ‘re-patriarchalization’ of society.

In the context of this theoretical and methodological background this paper intends to explore in its first section the formal family structure at the beginning of the 20th century as point of departure. In its second section, the severe impact of the interventionist Communist state and socioeconomic change on family structures will be analyzed. The third section will explore the adaptation of family structures to the constraints of the weak post-socialist state and massive emigration and the last section will focus on the persistence of patriarchal family and kinship values as well on the advantages and disadvantages of Albania’s family centeredness.

**Family at the Beginning of the 20th Century**

The first Albanian census, taken by the Austro-Hungarian occupation forces 1918, covers almost the whole territory of Albania and provides with a first quantitative picture of household composition, which will be roughly summarized here. At the beginning of the 20th century, the majority of rural population, which constituted more than 80% of the population, lived in multiple family households. Several factors determined the form of a multiple family household structure: among them, the residence of the newly married couple and the timing of the household fission were crucial. In the rural areas of the Western and Central Balkans the principle of ‘patrilineality’ was usually strictly observed. This generally required ‘patrilocality’ as residence arrangement after marriage. Thus the agnatic kin constituted the core of the traditional household, and wives were married in. Marriage was almost universal; the mean age at marriage of women was below 20 years, but a completely unexpected age of
25 years or older for men. This means late marriage for men and a considerable age gap between age at marriage between women and men of almost 8 years, which strengthened male domination and the patriarchal order. Female household heads were rare; in practically all the cases they were widows, who lived with underage sons.

Formal urban household structures did not deviate significantly from the rural ones, since most of the cities had kept a rural character – except Shkodra. Urban households were smaller and less complex than rural ones. Age at marriage for urban men was even 4 years higher than in the countryside. Therefore, many women became widows at quite a young age.

**Hoxha’s Regime and the Impact of Collectivization on the Family**

Albania’s socioeconomic development in the interwar period remained relatively stable, which means continuation on a poor developmental level. There were hardly any remarkable impulses for changes of household formation and family relations.

After the takeover of power by the Communist Party, socioeconomic development gained momentum. From 1945 to 1988 the rural-urban population flow won intensity. In 1988 the rural share of population decreased from approximately 80% to 65%, whereas the urban share increased to 35%. The share of urbanized population would have been higher if the regime would have given permission for free movement. The industrial sector generated 43% of the national income by 1985, but the country remained poor with the lowest GNP per capita in Europe by the end of the communist regime.

When the Communist Party of Albania came into power by the end of 1944, an attack on the traditional (“reactionary”) mentality, behavior patterns and forms of social life was officially announced. It was especially the “patriarchal family” that was exposed to Communist modernization measures. Whereas the South Albanian regions – the population of which was very pro-Hoxha and had
supported the Communist partisan movement against the Italian and German invaders and internal rivals – was relatively easy to win for this program, the population of the regions in the north was strongly opposed to the new regime. This is why the regime began to formally destroy the tribal structures and institutions after the mountainous population had widely resisted the Communist take-over of the government from the very beginning. But it seems that the Communists were not able to change the traditional family ideology and household structures rapidly.

We have clear evidence that the Communist party functionaries in the first few years were not able to force the large household complexes to split up despite this being their defined goal. With the onset of collectivization they found the necessary tools. Family members who resisted the dissolution of the household were forced to emigrate and were settled in distant co-operatives. To this extent, Communist politics has achieved its aims. But more generally speaking, as Pichler points out, traditional social forms as well as the customary law were wiped out formally, but in social reality traditional values and kinship ties remained intact; a syncretistic overlap of traditional and modern social structures was the consequence.

A new form of patriarchy, state or party patriarchy was aimed to substitute traditional patriarchal structures. The socialist regime considered, in not only metaphorical sense, society as family, and the Party as father. Socialist society was conceptualized as a classical patriarchal household. The result was a patriarchal household-state, which affected even birth and the foetus. The female body became an instrument of the reproduction constraints of the state, like the reproduction of ‘patrilineality’ in agrarian society. Socialism redistributed male and female roles in household, socialized considerable parts of reproduction, and took over certain functions of the traditional patriarch. One can conclude that the interventionist state reorganized family life to a significant degree. But did the socialist regime leave a modern family by European standards, when it was forced to abdicate?
The Impact of Post-Socialist Political and Economic Transformation on the Family

The political and economic transformation of Albanian society since 1991-92 has had a significant impact on formal aspects of the Albanian family. In this regard a new era of Albanian family history began. Transformation and capitalism in its worst form completely reshaped the whole society and seemingly also its central social institutions such as the family. The family, exposed to until then unknown market forces, could in many cases adapt to the new conditions and became the nucleus of small-scale entrepreneurship – a family-run kiosk or coffee shop, for instance. Traditional forms of labor division among family members have been reactivated. In many cases the constraints of the new conditions, especially the almost complete break-down of the social security institutions, led to an enormous social disparity among the population – the highest in the Balkan region.

The question arises, whether the newly established economic framework provide the general conditions for the break-up of the family? The answer depends at which segment of family life we are looking. If we look at the traditional household composition of the multiple family household with its patriarchal arrangements, we have to conclude that this definitely has become history. If we look at the effects of migration, the answer has also to be clearly yes. If we look at other factors that have impact on family life, the picture becomes more complicated.

At the end of the communist period marriage was still universal, and recent data demonstrate that marriage is still almost universal. Male age at marriage has remained unchanged since 1918. Alternative forms to marriage such as cohabitation is practiced only on very low scale. Pre-marital sex also does hardly exist; therefore, childbirth outside of marriage does practically not occur. Data indicate that the proportion of women who experienced sexual intercourse before the age of 18 was 10% for women aged between 40 and 44 and 16% for women aged between 20 and 24. The average
age for first sexual intercourse for women was 21.1 years, only a few months younger than the average age of first marriage at 21.9 years.

With respect to fertility we cannot expect an equal level as decades ago, but the question is, whether Albanian fertility rate does equalize with rates of other European countries. The answer is yes. Generally, the onset of the First Demographic Transition among Muslim populations in the Balkans and the Near East was considerably later compared to Europe’s Christian populations – approximately half a century later. This means that Muslim populations began to increase, when Christian populations already began to decrease. In 1945, Albania (as well as the Albanian population of Kosovo and of Macedonia) had the highest fertility rate in Europe with an average of more than six births per woman. However, in the interventionist Communist period fertility fell to around three children per woman, despite a ‘pro-natalist’ bio-politics of the Hoxha-regime and the absence of modern contraception and abortion. In the 1970s a steady fertility decline began, which continues to the present. However, at the end of the communist period fertility was still high compared to the neighboring Balkan countries.

There was a relatively sharp break in fertility as consequence of the crisis in 1997. During the subsequent political and economic consolidation the more highly qualified strata began to postpone their marriages and births. Since the beginning of the 21st century, the First Demographic Transition seems to be completed with a decline in fertility to sub-replacement levels. The fertility rate in Tirana is only 1.0 (2010).

**Family and Kinship Ideology**

The basic principals of the patriarchal family in the north as well as in the south were and are constituted by ‘patrilineality’. Men – father, sons, brothers and male cousins – constituted and constitute the stable core of the extended household. The property was and is considered
joint ownership of the male group and used/uses to be divided into equal parts after the separation of the household. Women were and still are in many cases excluded from property and inheritance rights. The household head used and uses to be the eldest man of the family compound. He represented and frequently represents the family and organizes its internal economic and social relations.

These elements of patriarchal ideology, however, are no longer general phenomena of the whole country and especially not of urban settings at the beginning of the 21st century. In communist time the power of the former tribal leaders and the tribes’ informal self-governing bodies was destroyed, but it remains doubtful whether this was also the case with patriarchal ideology, which could not wiped out thus easily. Although solidarity among and cohesion of the members of the ‘patrilineal’ descent group seemed to be weakened, rules of customary laws are still applied and ancestor worship is still practiced. Via internal migration processes from the rural areas to cities such as Shkodra, Tirana or Elbasan, this ideology and customary behavior has been transported into urban settings. Nowadays, Albania’s cultural context appears to be oscillating between a return to tradition and the development of new influences from neighboring Europe, channelled through external migration. Most of the post-socialist societies seem to experience a phase of ‘repatriarchalization’, which strengthens traditional values. Albanian society has remained traditional in terms of family concerns and is far from indications of a Second Demographic Transition.

Kinship ties have been adapted to the new challenges. They seem to be weaker than at the beginning of the 20th century. However, kinship networks function in reformulated ways nowadays. Migration plays a significant role for this reformulation of kinship ties, because it extends them over regions and state borders and mobilizes countryside to city-exchanges and vice versa. Extended kinship relations still constitute the basis for informal transactions and the solution of economic and everyday problems in a society, which is fragmentarily organized.

Ideas such as the common good in Albania are clearly not as
expressed as in Western and Central European democracies. Albania shares this attitude with its neighboring Balkan countries, where civil societal structures also hardly exist and the degree of societal fragmentation is also high. Economic, social and political relations are family-centered as almost everywhere in the region. Actions aim at defending and expanding group interests and resources at the expense of other individuals and groups. Rapid enrichment is possible for strong family and kinship groups. The political system is controlled by more powerful groups and can become another resource for their own enrichment. Such a constellation is good for the group’s survival but extremely negative for societal cohesion.

In summing up, this paper has attempted to outline the most important stages undergone by Albanian rural and urban families in the course of the 20th and at the beginning of the 21st century. Continuities and discontinuities characterize the history of the Albanian family in this turbulent period of time. It was the concept of the Albanian Party of Labor and its interventionist methods of rule that pushed family in direction of modern forms but not necessarily in direction of modern family values. To a certain extent party politics conserved traditional family values by giving family formation absolute priority in its ambition to increase Albania’s population. The protected family life became seriously challenged by the new constraints of market economy following the abdication of the communist system. Whereas during the subsequent two decades political and economic life was instable, the new state’s institutions remained weak and future became non-predictable for the crisis-shaken population, family and kinship cohesion to an astonishing degree could be kept intact. One could state that the turbulent century only scratched the formal family composition but did not question traditional family values.

Perhaps we are witnesses of an early stage of declining family cohesion, which will lead Albanian society and its social security mechanisms into turmoil as long as the Albanian state does not change its current tributary and inefficient character.