

ALBANIA'S ROAD TOWARD INTEGRATION AND ACCESSION INTO THE  
EUROPEAN UNION

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degree

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General Studies

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| 14. ABSTRACT<br>The fall of Berlin Wall in late 1980s and collapse of communism dramatically changed the geo-political landscape of Europe. Albania, however, after more than four decades of one of the most centralized and repressive regimes in the world, was the last nation in the Balkans to undertake the transition from totalitarianism to democracy. Albania began to establish political and economic relations with Euro-Atlantic organizations as the way of making the transition to democracy easier. Membership in North Atlantic Treaty Organization (NATO) and the European Union (EU) was a long-term objective of Albania's new political leadership. After Albania gained full membership in NATO in 2009, accession into the EU remains the main goal for the country. This thesis analyzes Albania's road toward integration into the EU using a longitudinal comparative case study design to compare Albania in 1990 with Albania of 2013. Using the EU's Copenhagen Criteria as a basis for comparison, it answers the question of how the efforts to meet the EU accession criteria have changed Albania. The research shows that while Albania applied for EU membership based on domestic desires to overcome its communist past and embrace the democratic values of the EU, measures taken to adapt to the Copenhagen Criteria produced significant changes in Albania socially, economically and politically. This case study provides a blueprint for military stabilization and assistance efforts that result in a state with a democratic form of government that is a partner on the global stage, and integrated into the liberal Western economic, social, and political system. |                    |                                   |                            |                                                     |                                       |
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The opinions and conclusions expressed herein are those of the student author and do not necessarily represent the views of the U.S. Army Command and General Staff College or any other governmental agency. (References to this study should include the foregoing statement.)

## ABSTRACT

ALBANIA'S ROAD TOWARD INTEGRATION AND ACCESSION INTO THE EUROPEAN UNION, by Major Engjëll Shehu, 103 pages.

The fall of Berlin Wall in late 1980s and collapse of communism dramatically changed the geo-political landscape of Europe. Albania, however, after more than four decades of one of the most centralized and repressive regimes in the world, was the last nation in the Balkans to undertake the transition from totalitarianism to democracy. Albania began to establish political and economic relations with Euro-Atlantic organizations as the way of making the transition to democracy easier. Membership in North Atlantic Treaty Organization (NATO) and the European Union (EU) was a long-term objective of Albania's new political leadership. After Albania gained full membership in NATO in 2009, accession into the EU remains the main goal for the country. This thesis analyzes Albania's road toward integration into the EU using a longitudinal comparative case study design to compare Albania in 1990 with Albania of 2013. Using the EU's Copenhagen Criteria as a basis for comparison, it answers the question of how the efforts to meet the EU accession criteria have changed Albania. The research shows that while Albania applied for EU membership based on domestic desires to overcome its communist past and embrace the democratic values of the EU, measures taken to adapt to the Copenhagen Criteria produced significant changes in Albania socially, economically and politically. This case study provides a blueprint for military stabilization and assistance efforts that result in a state with a democratic form of government that is a partner on the global stage, and integrated into the liberal Western economic, social, and political system.

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## ACRONYMS

|       |                                                                         |
|-------|-------------------------------------------------------------------------|
| AI    | Amnesty International                                                   |
| APL   | Albanian Party of Labor                                                 |
| CARDS | Community Assistance for Reconstruction, Development, and Stabilization |
| CSO   | Civil Society Organizations                                             |
| EBRD  | European Bank for Reconstruction and Development                        |
| ECA   | European Court of Auditors                                              |
| ECAAA | European Common Aviation Area Agreement                                 |
| ECB   | European Central Bank                                                   |
| ECJ   | the European Court of Justice                                           |
| ECT   | Energy Community Treaty                                                 |
| EEAS  | European External Action Service                                        |
| EP    | European Parliament                                                     |
| EU    | European Union                                                          |
| FYROM | the Former Yugoslav Republic of Macedonia                               |
| HLSG  | Albania High Level Steering Group                                       |
| IMF   | International Monetary Fund                                             |
| IPA   | Instrument for Pre-accession assistance                                 |
| MEI   | Ministry of European Integration                                        |
| MFA   | Ministry of Foreign Affairs                                             |
| NATO  | North Atlantic Treaty Organization                                      |
| NPAL  | National Program for the Approximation of Legislation                   |
| SAA   | Stabilization and Association Agreement                                 |

|     |                                       |
|-----|---------------------------------------|
| SAP | Stabilization and Association Process |
| WB  | World Bank                            |

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## CHAPTER 1

### INTRODUCTION

The fall of Berlin Wall in late 1989 and the collapse of communism dramatically changed the geo-political landscape of Europe, especially Central and Eastern Europe. However, Albania was the last nation in Eastern Europe to undertake the transition from totalitarianism to democracy after more than four decades of one of the most centralized and repressive regimes in the world. The isolationist policy of Albania during the communist regime led to a lack of participation in international relations, which was reflected in the absence of international organizations in the country until the beginning of 1990s. The only organization in which Albania remained a member was the United Nations.<sup>1</sup> In spite of what was expected from a country that had just come out of the long communist regime rule, Albania embraced the changes quickly and in June 1991, the first noncommunist multiparty coalition government was formed. Diplomatic relations with other countries were renewed and Albania joined the International Monetary Fund (IMF), the World Bank (WB), and the European Bank for Reconstruction and Development (EBRD) in October 1991.<sup>2</sup> In addition, price liberalization and other key supporting

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<sup>1</sup>Ed. D. J. Sagar, *Albania: Political Parties of the World* (London: John Harper Publishing, 2009), 2.

<sup>2</sup>Mario I. Blejer et al., *Albania: From Isolation Toward Reform* (Washington, DC: International Monetary Fund, 1992), 1.

measures toward an open market economy, helped to keep inflation under control in the Albanian economy in transition.<sup>3</sup>

From the beginning, Albania expressed its will and commitment to embrace Euro-Atlantic integration, being the first country in the region signing the Agreement on Trade and Economic Cooperation between the European Union (EU) and the Republic of Albania, in May 1992.<sup>4</sup> In addition, Albania was the first country from the ex-communist block to sign the Partnership for Peace agreement with North Atlantic Treaty Organization (NATO) in February 1994.<sup>5</sup> Since then, NATO and EU integration have been on the agenda of every government in Albania. In April 2009, Albania became a full NATO member, achieving one of its strategic objectives. Now, the efforts of the country are focused on joining the EU. As the Prime Minister of Albania, Edi Rama stated in his first speech in front of the newly elected parliament on September 2013, "Our goal is clear: to govern the way Albania deserves. To give Albanians a clear, tangible sight of

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<sup>3</sup>Carl J. McNeilly and Doris Schiesser-Gashnang, *Reducing Inflation: Lessons from Albania's Early Success* (Washington, DC: International Monetary Fund, 1998), <https://www.imf.org/external/pubs/ft/wp/wp9878.pdf> (accessed May 1, 2014), 3.

<sup>4</sup>Council of the European Union, "Agreement Between the European Economic Community and the Republic of Albania, on Trade and Commercial and Economic Cooperation," <http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData.do?step=0&redirect=true&treatyId=125> (accessed October 13, 2013).

<sup>5</sup>Albanian Ministry of Foreign Affairs, "Albania-NATO Relations," [http://www.mfa.gov.al/index.php?option=com\\_multicategories&view=article&id=7547%3Amarredheniet-e-shqiperise-me-nato-n&Itemid=65&lang=sq](http://www.mfa.gov.al/index.php?option=com_multicategories&view=article&id=7547%3Amarredheniet-e-shqiperise-me-nato-n&Itemid=65&lang=sq) (accessed November 19, 2013).

the European Albania they dream of and deserve.”<sup>6</sup> Within three days after his inauguration, Rama traveled to Brussels on his first official foreign visit, in order to stress the Albanian government commitment to join the EU.

On October 16, 2013, the European Commission published the annual Progress Report on Albania, recognizing the good progress made by the country, especially with the fulfillment of free election criteria in June 2013, and recommended giving the status of ‘EU candidate country.’<sup>7</sup> The report clearly states:

The European Commission concluded that Albania made good progress on its path towards EU integration, notably by adopting measures identified as essential for granting candidate country status and by continuing to deliver reforms against the key priorities of the Commission's 2010 Opinion. Albania took initial steps towards improving the efficiency of investigations and prosecutions in the fight against organized crime and corruption. The 2013 parliamentary elections were conducted in an overall smooth and orderly manner. In view of this, the European Commission recommends that Albania be granted EU candidate status on the understanding that Albania continues to take action in the fight against organized crime and corruption.<sup>8</sup>

Based on the 2013 Progress Report on Albania, the European Commission on December 9, 2013 submitted a resolution to the EU Parliament, calling on the European Council “to acknowledge the progress made, by granting Albania candidate status

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<sup>6</sup>Benet Koleka, “Albania's new Socialist-led government targets economy, EU,” Reuters, September 15, 2013, <http://uk.reuters.com/article/2013/09/15/uk-albania-government-idUKBRE98E0CH20130915> (accessed October 13, 2013).

<sup>7</sup>“An applicant country for EU membership may be granted candidate country status by the European Council based on a recommendation by the European Commission. Candidate country status does not give a right to join the Union automatically. The Commission examines the application in light of the accession criteria (Copenhagen criteria) and draws up an opinion, while the European Council decides to open accession negotiations with the candidate country.” European Commission, “Enlargement,” [http://ec.europa.eu/enlargement/policy/glossary/terms/candidate-countries\\_en.htm](http://ec.europa.eu/enlargement/policy/glossary/terms/candidate-countries_en.htm) (accessed January 13, 2014).

<sup>8</sup>Ibid.

without undue delay.”<sup>9</sup> However, despite the positive report and fulfilment of the twelve recommendations of the European Commission Opinion on Albania's application for membership of the European Union,<sup>10</sup> five members of the European Council voted against the resolution for giving candidate status to Albania. The Foreign Ministers of Germany, the Netherlands, Great Britain, Denmark and France, proposed that the European Council should prepare another report on Albania, although the last report made it clear that “Albania had fulfilled EU requisites for the status.”<sup>11</sup>

This thesis researches the progress of Albania's integration with the EU in the years following the fall of the Communist Regime. The thesis also explores the question of how the efforts to meet the EU accession criteria affect Albania. To set the stage, a short historical review of Albania in the 1990s is important in order to uncover what reasons and main considerations made Albania decide to join the EU, as well as the challenges that decision created and how Albania has met the required criteria.

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<sup>9</sup>European Parliament, “Motion for a Resolution,” December 9, 2013, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=//EP//NONSGML+MOTION+B7-2013-0556+0+DOC+PDF+V0//EN> (accessed December 17, 2013).

<sup>10</sup>European Commission, *Communication from the Commission to the European Parliament and the Council: Commission Opinion on Albania's Application for Membership of the European Union*, November 9, 2010, [http://ec.europa.eu/enlargement/pdf/key\\_documents/2010/package/al\\_opinion\\_2010\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/al_opinion_2010_en.pdf) (accessed October 15, 2013), 11-12.

<sup>11</sup>Albanian Correspondent, “European Union doesn't grant the candidate status to Albania,” Independent Balkan News Agency, December 17, 2013, <http://www.balkan.eu.com/european-union-doesnt-grant-candidate-status-albania/#sthash.E2cOPz93.dpuf> (accessed December 17, 2013).

### Definition of key EU institutions

The explanation of the following key EU institutions is considered important in order to understand how the EU works.<sup>12</sup>

Council of the European Union. The Council of the EU is the institution representing the member states' governments. Also informally known as the EU Council, it is where national ministers from each EU country meet to adopt laws and coordinate policies. The national minister attending the Council depends on the functional topic area under discussion, e.g. Transportation Ministers make up the Council when it discusses transportation issues. The presidency of the Council of the EU rotates among member states every six months.<sup>13</sup>

The European Court of Justice (ECJ). The ECJ interprets EU law to make sure it is applied in the same way in all EU countries. It reviews the legality of the acts of the institutions of the EU. It also ensures that the Member States comply with obligations under the treaties and interprets the EU law at the requests of the national courts and tribunals.<sup>14</sup>

European Central Bank (ECB). The ECB is the central bank of Europe's single currency' the euro. The main purpose of the bank is to maintain the euro's purchasing

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<sup>12</sup>The key institutions of the EU are: the Council of the European Union; the Court of Justice of the European Union; the European Central Bank; the European Commission; the European Council; the European Court of Auditors; the European Parliament. See European Union, "EU institutions and other bodies," [http://europa.eu/about-eu/institutions-bodies/index\\_en.htm](http://europa.eu/about-eu/institutions-bodies/index_en.htm) (accessed January 4, 2014).

<sup>13</sup>See the Council of the European Union, <http://www.consilium.europa.eu/homepage?lang=en> (accessed May 11, 2014).

<sup>14</sup>See the European Court of Justice web site, [http://curia.europa.eu/jcms/jcms/j\\_6/](http://curia.europa.eu/jcms/jcms/j_6/) (accessed May 11, 2014).

power and thus price stability in the euro area (keep inflation under control). The ECB is also responsible for framing and implementing the EU's economic and monetary policy, holding and managing the official foreign reserves of the euro area and promoting the smooth operation of payment system. The euro area comprises the 18 EU countries that have introduced the euro since 1999.<sup>15</sup>

European Commission. The European Commission is one of the main institutions of the EU. It represents and upholds the interests of the EU as a whole. It drafts proposals for new European laws. It manages the day-to-day business of implementing EU policies and spending EU funds. It proposes new laws to the Parliament and to the Council; it manages the EU's budget and allocation of funding; enforces EU law (together with the Court of Justice). Along with the EEAS, it represents the EU internationally (by negotiating agreements between the EU and other countries).<sup>16</sup>

European Council. The European Council consists of the Heads of State or Government of the Member States, together with its President and the President of the Commission and represents the interests of the member states. As the highest-level intergovernmental body, it defines the general political direction and priorities of the EU and its meetings are essentially summits where EU leaders meet to decide on broad political priorities and major initiatives. There are two meetings every six months (four meetings a year), chaired by a permanent president. Its role is setting the EU's general political direction and priorities, and dealing with complex or sensitive issues that cannot

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<sup>15</sup>See the European Central Bank web site, <http://www.ecb.europa.eu/home/html/index.en.html> (accessed May 11, 2014).

<sup>16</sup>See the European Commission web site, [http://ec.europa.eu/index\\_en.htm](http://ec.europa.eu/index_en.htm) (accessed May 11, 2014).

be resolved at a lower level of intergovernmental cooperation. Though influential in setting the EU political agenda, European Council has no powers to pass laws.<sup>17</sup>

European Court of Auditors (ECA). The ECA audits EU finances. It is composed of 28 members and meets twice a month in order to discuss and adopt documents. Its role is to improve EU financial management and report on the use of public funds. To ensure that EU taxpayers get maximum value for their money, the ECA has the right to check ('audit') any person or organization handling EU funds. The Court frequently carries out on-the-spot checks. Its findings are written in reports submitted to the Commission and EU national governments.<sup>18</sup>

European Parliament (EP). Is the only directly elected body of the EU, and one of the EU's main law-making institutions, along with the Council of the EU. The EU voters elect the members of the EP every 5 years, and they represent the people by party affiliation not nationality. The Secretary General is the most senior official of the parliament and he heads the Secretariat. The main roles of the EP are passing the European laws, making sure the other EU institutions are working properly and adopting the EU budget with the Council.<sup>19</sup>

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<sup>17</sup>See the European Council web site, <http://www.european-council.europa.eu/the-institution> (accessed May 11, 2014).

<sup>18</sup>See the European Court of Auditors, <http://www.eca.europa.eu/en/Pages/ecadefault.aspx> (accessed May 11, 2014).

<sup>19</sup>See the European Parliament web site, <http://www.europarl.europa.eu/portal/en> (accessed May 11, 2014).

### Defining European Integration

This research addresses European integration in post-communist Albania. For research purposes, it is necessary to identify and define the term *European Integration process*. Ernest B. Haas, an international relations theorist, in his work *The Uniting of Europe*, published in 1958, defines integration as the process “whereby political actors in several, distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new center, whose institutions possess or demand jurisdiction over the pre-existing national states.”<sup>20</sup> A more contemporary definition is introduced by the political scientists Thomas Dietz and Antje Wiener which defined European integration as “the process of intensifying political cooperation in Europe and the development of common political institutions” including the “changing constructions of identities of social actors in the context of this process.”<sup>21</sup>

In compliance with the EU accession criteria, also called the ‘Copenhagen Criteria,’ the definition of European integration is that it encompasses political, economic, legal, social, and cultural integration of states located wholly or partially in Europe. This definition is the one that will be used for the purposes of this study.

### The Research Question

Primary research question: How have the efforts to meet the EU accession criteria affected Albania?

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<sup>20</sup>Ernest B. Haas, *The Uniting of Europe, Political, Social, and Economic Forces, 1950-1957* (Redwood City, CA: Stanford University Press, 1957), 16.

<sup>21</sup>Thomas Dietz and Antje Wiener, ed., *European Integration Theory: Introducing the Mosaic of Integration Theory* (Oxford: Oxford University Press, 2009), 4.

#### Secondary Research Questions:

1. Why is Albania undergoing the process of EU integration?
2. What is the level of progress toward the achievement of Albania's 2009 Stabilization and Association Agreement?
3. What are the main challenges Albania faces in the efforts towards EU integration?

#### Assumptions

The following assumptions related to the relations between Albania and the EU are considered relevant for the research process.

1. The EU is negotiating in good faith the entrance of Albania into the union.
2. Albania is negotiating in good faith the EU integration process.
3. Although under the strong influence of the communist ideology for several decades, and perhaps as a reaction against Communist dogma, people from the former socialist countries were willing to embrace the same values EU and NATO promoted.
4. The recent economic crises in the EU, is delaying/blocking the EU enlargement process.

#### Limitations of Scope

This research is limited to examining the progress of Albania's integration with the EU in the years following the fall of the communist regime in the beginning of 1990s. It is a longitudinal comparative case study design, comparing Albania in 1990 to Albania of 2013.

Points of comparison will be in the areas outlined by the EU in Albania's 2009 Stabilization and Association Agreement (SAA) 'Copenhagen Criteria'. The EU has issued a number of progress reports and annual assessments identifying the extent to which Albania has succeeded in implementing the terms of these agreements. These reports and assessments serve as the basis for determining whether the efforts of Albania to meet the accession criteria in economic, political, and institutional fields, have provided the desired results for the country.

### Delimitations

This thesis does not attempt an in-depth analysis of Albania-EU relations. Similarly, although unsolved issues between Albania and Greece can significantly affect the Albanian accession into the EU, that matter is beyond the scope of this study.

Focusing on Albania, this paper will not address the historical aspects or the political ones of the other Western Balkan states, nor the social conditions, which determined the other nations to look for EU integration.

### Significance of the study

The EU clearly wants "Western Balkan"<sup>22</sup> countries to join the European family. Both the EU and the Western Balkans see the integration process as a way to promote peace and stability in the region, which has seen four conflicts after 1990.

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<sup>22</sup>The term "Western Balkans" covers Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro and Serbia. With the exception of Albania, they were all a part of the former Federal Republic of Yugoslavia. See, [http://eeas.europa.eu/western\\_balkans/index\\_en.htm](http://eeas.europa.eu/western_balkans/index_en.htm) (accessed October 13, 2013).

Primarily, Albania has an important constructive and moderating influence in the region, which is emphasized by the EU. In addition, a successful integration of Albania into the EU is a model for other Western Balkan states that aspire to join the EU in the future.

Finally, the dramatic changes in Albania, if shown to be caused by adaptations to Albanian institutions in the EU integration process, may indicate how military stabilization and assistance efforts in other countries (like Afghanistan) can successfully influence those countries towards a more democratic and open society.

## CHAPTER 2

### LITERATURE REVIEW

The purpose of this research is to examine the main reasons that led to Albania's effort to join the EU, and how have these efforts affected Albania of 2013. The research is based on analysis of historical aspects of Albania in 1990s, as well as economic, politic, institutional, strategic and security issues. The written materials for this research are significant. First, because the end of Cold War era and the effects of the fall of communism in Central and Eastern Europe is a subject that continues to draw interest and is still studied by many researchers. Second, the EU is a complex and powerful organization, which has economic, political and to a lesser extent security characteristics. Third, the integration of the Western Balkans in the EU is characterized as a way to promote peace and stability in the region as well as political, economic, and social changes. Thus, Albania's effort to join the EU represents an interesting topic for economic, political, and institutional analysts.

The research for this thesis relies on non-classified sources and published work. Primary source material is derived from official agreements, annual progress reports, and studies issued by the European Commission, the Government of Albania, and the Council of Europe. In addition, the EU External Action Service (EEAS) provided all relevant source materials pertaining to the Enlargement Policy, including bilateral agreements, policy reports, implementation assessments, and press announcements.<sup>23</sup>

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<sup>23</sup>See, <http://europa.eu/> (accessed October 30, 2013). Europa.eu is the official website of the European Union. See also, <http://ec.europa.eu/enlargement/> (accessed October 30, 2013).

The second source of information is material available through the Ministry of European Integration (MEI) and the Ministry of Foreign Affairs (MFA), which provide similar information regarding the bilateral relations between Albanian and the EU. In order to create a realistic and objective opinion about Albania's changes due to its efforts to join the EU, the author will cite statements of EU officials on different occasions, such as summits or seminars. This will frame the overall picture of the economic, political, and institutional issues influencing their decisions relative to the integration process. News articles, along with economic and political analysts' opinions expressed in articles published in different periodicals provided valuable insights on the EU's challenges. Finally, the Internet will provide timely and updated information.

The literature review is organized into three topics: Historical review of the conditions of Albania circa 1990, reasons why Albania decided to join the EU, and Albania's EU integration and the required accession criteria.

#### Historical review of the condition of Albania circa 1990

As it is well-known, and as reported by numerous international organizations' reports and other scholarly studies, Albania during communism rule was one of the most isolated and authoritarian regimes and one of the least known inaccessible countries in the world. For more than four decades, Albania imposed upon itself isolation and an authoritarian regime, adhering to Marxist ideology and Stalinist practices. Not much was known about Albanian economy, however *the Monetary Fund report*, published in 1992, defined Albania as the poorest and least developed country in Europe and probably the

only country in the continent with standards of living comparable to those of third world countries.<sup>24</sup>

According to the American scholar Edwin E. Jacques, in the book *the Albanians: an ethnic history from prehistoric times to the present*, published in 1995, there are several factors which make Communism in Albania an interesting case to study. First, Albania was the only country in Europe who adopted communism without the direct intervention of Soviet troops. Second, although it did receive support from the Allies, Albania was the only European country to liberate itself without calling for the help of foreign troops during World War II. Third, Albania was the first country to adopt atheist communism and banning of all religious practices in 1967. Finally, Albania was the world's last hard line Stalinist regime.<sup>25</sup>

Why did Albania follow the road of becoming a communist state and isolate itself from the world, instead of moving toward western civilization? Albania got its independence after 500 years of Ottoman rule, on November 28, 1912. Following the end of the 1st Balkan War, 'the Great Powers'<sup>26</sup> during the Conference of Ambassadors, held in London in December 1912, recognized Albanian independence but awarded to the Balkan allies large areas of Albanian-claimed territory, regardless of its ethnic

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<sup>24</sup>Blejer et al., 1

<sup>25</sup>Edwin E. Jacques, *The Albanians: An Ethnic History from Prehistoric Times to the Present* (Jefferson, NC: McFarland and Company, 1995), 424.

<sup>26</sup>The Conference of Great Powers of Europe (Austria-Hungary, France, Germany, Great Britain, Italy and Russia) held in London on December 20, 1912. "The conference, which was presided over by the British Foreign Secretary, Sir Edward Grey, debated three main issues: the international status of Albania; the organization of the new Albanian state; and the establishment of the internationally acceptable frontiers." Miranda Vickers, *The Albanians: A Modern History* (London: I. B. Tauris, 2006), 70.

composition. A major part of northern and western Albania (including Kosovo) went to Serbia and Montenegro, while Greece received the large southern region of Chamëria. This decision of 'Big Powers' left half of the ethnic Albanian population outside of the Albanian state.<sup>27</sup> However, independence did not last long. Between 1914 and 1920, Albania was invaded and occupied different times by its Balkan neighbors, as well as Italy, Austria-Hungary and France. According to the World War I secret treaties, which were revealed by the Bolshevik regime, Albania was planned to be partitioned among Greece, Italy, Montenegro, and Serbia in November 1917.<sup>28</sup> To prevent this plan, a few days before a delegation of Albanian-Americans left for France to take part in the Paris Peace Conference of 1919, the leading clergymen of the Albanian Orthodox Churches of America, Fan Noli of Boston (Prime Minister of Albania 'June - December 1924'), in his memorandum for Albania, wrote to U. S. President Wilson:

The land extending from Dulcigno to Preveza on the eastern shore of the Adriatic Sea and covering the old Turkish vilayets of Scutari, Kossovo, Janina and the western part of Monastir, is occupied by a compact and homogenous population of more than 2,500,000 Albanians, speaking the same language and solidly united in their determination to become an independent nation. The Albanians, the most ancient race of Europe, have been there from time immemorial long before the Greeks and the Slavs had come into the Balkan Peninsula. They are the direct descendants of the old Illyrians, Macedonians, and Epirotes, and their language is the only living specimen of the tongues spoken by the aboriginal Aryan settlers of

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<sup>27</sup>Ibid.

<sup>28</sup>Ibid.

Southeastern Europe. They are a distinct race with distinct national characteristics, customs, and traditions.<sup>29</sup>

During the Paris Peace Conference held in 1919, the British, French, and Italian delegations supported the partition of Albania among neighbors as agreed in the secret treaty, but the U.S President, Woodrow Wilson, who was pro self-determination of nations, opposed this and Albania managed to keep its independence.<sup>30</sup> Beside all this, Albania was also invaded by Italy in 1939 and Germany in 1940, and occupied until 1944. This historical experience with repeated invasion and division, affected Albania and “installed a sense of patriotic fervor and nationalism in its people, set the background for the fiercely independent foreign policy.”<sup>31</sup> Thus, this is reflected in Albania’s foreign alliances, and in the new government that was formed by the communist party (founded in 1941) which took power at the end of World War II.<sup>32</sup>

The foreign policy of communist Albania was first oriented toward Yugoslavia, which assisted the establishment of the Albanian Communist Party in November 1941. Thus on July 1946, both countries signed a treaty of friendship, but the relations did not last long because in 1948, Belgrade was making plans for Albania’s ‘union’ with

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<sup>29</sup>Robert Elsie, “Texts and Documents of Albanian History: Memorandum for Albania.” In addition to the U. S. President Wilson and Secretary of State Lansing, copies of the memorandum were sent to the foreign ministries of the Allied Powers and their ambassadors in Washington. The aim of the text and of the delegation was to ensure the continued recognition of Albania as a sovereign state. [http://www.albanianhistory.net/texts20\\_1/AH1918\\_2.html](http://www.albanianhistory.net/texts20_1/AH1918_2.html) (accessed January 9, 2014).

<sup>30</sup>Joseph Held, *The Columbia History of Eastern Europe in the Twentieth Century* (New York: Columbia University Press, 1992), 21

<sup>31</sup>Blejer et al., 5.

<sup>32</sup>Ibid.

Yugoslavia.<sup>33</sup> Between 1948 and 1955, Albania enjoyed good relations with the Soviet Union and became a member of the Warsaw Pact Treaty Organization.<sup>34</sup> During this time, Albania received significant economic and military assistance from the Soviet Union and its allies. This pushed Albania to follow an industrialization program in order to transform the country to an agricultural-industrial state. In addition, Albania adopted the Soviet centralized economic model.<sup>35</sup> With Stalin's death, relations with Soviet Union began to disintegrate, because the new Soviet leadership was improving ties with Yugoslavia, and this was followed by Moscow's calls for a normalization of Albania-Yugoslavia relations. In 1960, the Soviets' attempt to overthrow Hoxha, the Albanian Communist Party leader, failed.<sup>36</sup> That same year (1960), Albania established relations with communist China, and this caused the suspension of economic and military assistance by the Soviets and effectively barred Albania from the Warsaw Pact. During this time, Albania enjoyed economic and military support from Beijing. With Mao Zedong's death in 1976, Albania realized that there was a change of direction from the 'revisionist' Chinese leadership that began pursuing capitalist policies. For this reason, in 1978 Albania broke relations with China. Instead of turning toward the West or to its

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<sup>33</sup>Elez Biberaj, *Albania: A Socialist Maverick* (San Francisco: Westview Press, 1990), 17, 19-20.

<sup>34</sup>Warsaw Pact. A military alliance of the Eastern European Soviet Bloc countries. The treaty was drafted in 1955 and signed in Warsaw on May 14, 1955. Warsaw Pact was a mutual defense organization that put the Soviets in command of the armed forces of the member states. The country members were: Soviet Union, Albania, Bulgaria, Romania, East Germany, Hungary, Poland and Czechoslovakia. It remained intact until 1991. Albania withdrew from the Pact in 1962.

<sup>35</sup>Biberaj, *Albania: A Socialist Maverick*, 21.

<sup>36</sup>*Ibid.*, 22.

former Soviet ally, Albania declared that the breaking of relations with China would not result in another great power or military alliance.<sup>37</sup>

In 1976, Hoxha was preparing the ground for his successor, and wanted to make sure that the policies he implemented would continue. For this reason, he institutionalized these policies by adopting a new constitution in 1976. The ‘new economic order’ set out in this constitution isolated the country from the world and extended the state’s control over all aspects of the people’s lives.<sup>38</sup> The document sanctioned the one-party system in accordance with ‘Marxist-Leninist doctrine,’<sup>39</sup> abolished private property, prohibited the government from seeking foreign credits or forming joint enterprises with foreign companies or countries, and reaffirmed the regime’s 1967 decision to abolish institutionalized religion.<sup>40</sup>

Until 1990, Albania refused all foreign aid or investment, implementing a strict self-reliance policy, and going through a hermetic isolation. Fixed prices and salaries, low rates of trade and a very low standard of living characterized the economy. By mid-1980, due to self-isolationist policies, and heavily dependent on the Chinese support

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<sup>37</sup>Ibid., 28.

<sup>38</sup>Blejer et al., 7.

<sup>39</sup>Marxism-Leninism, is the political and economic theories of Lenin which provided the guiding doctrine of the Soviet Union; the modification of Marxism by Lenin stressed that imperialism is the highest form of capitalism (which shifts the struggle from developed to underdeveloped countries).

<sup>40</sup>Blejer et al., 7.

before the breakdown of relations, the economy was declining. This decline continued and by the beginning of 1990, the GDP had declined over 13 percent.<sup>41</sup>

### Why Albania decided to enter the EU

In order to answer the primary research question – how have the efforts to meet the EU accession criteria affected Albania, it is necessary to find out the main reasons why Albania decided to enter the EU. Like most of the former communist states in Eastern and Central Europe, the EU was attractive to Albania for several reasons. First, because the EU had been a place of prosperity, stability and well-being. Second, the countries of the EU had been an important model of democracy for its members and the other countries of Europe. Third, the EU for more than five decades had enjoyed peace and security.<sup>42</sup>

Renewing diplomatic relations with other European countries, joining the IMF, the WB, the EBRD, and making efforts toward an open market economy, showed the political will of the post-communist government of Albania to leave the past behind and be part of the European family. The family it belonged to, before the Ottoman Empire occupied Albania more than 500 years ago.

Albanian government documents, define NATO and EU integration as the main strategic goals for the country. The National Strategy for Development and Integration, 2007-2013, published in 2008, acknowledges that the role of the integration process in

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<sup>41</sup>Ibid., 12.

<sup>42</sup>Mirela Bogdani and John Loughlin, *Albania, and the European Union: The Tumultuous Journey towards Integration and Accession* (London: I. B. Tauris, 2007), 17-18.

NATO and the EU has helped Albania to strengthen state structures and the economy, enhancing democracy, and fulfilling the domestic political reforms needed for a functioning and strong democracy. The National Strategy for Development and Integration succeeded the National Strategy for Socio-Economic Development, which until 2006 was the main governmental strategic document.<sup>43</sup> The focus of this strategic document is the long-term economic and social development of the country, and has as its main goals the integration of Albania into NATO and the EU.

The National Security Strategy of the Republic of Albania, approved in November 2004, is another document of the Government of Albania that encourages the Integration into NATO and the EU as the main strategic goals of the country. Paragraph 37 of the document, describes the Euro-Atlantic and European integration and accession, as “the essential strategic solution for the country’s security and protection of national interests is the integration policy in the Euro-Atlantic, European, and regional structures.”<sup>44</sup> In addition, this strategy identifies economic development as the main pillar for the achievement of the National Security Strategy of the country.

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<sup>43</sup>Ministry for European Integration, “Strategjia Kombëtare për Zhvillim dhe Integrim, 2007-2013” [National Strategy for Development and Integration, 2007-2013], <http://www.mie.gov.al/> (accessed November 25, 2013).

<sup>44</sup>Ligj Nr.9322, datë 25.11.2004: për miratimin e Strategjisë së Sigurisë Kombëtare të Republikës së Shqipërisë [Law No. 93, dated November 25, 2004: approval of the National Security Strategy of the Republic of Albania], <http://www.shish.gov.al/files/Ligjet%20nga%20Moljona/LIGJI%20NR.9322,%20DATE%2025.11.2004%20PER%20MIRATIMIN%20E%20STRATEGJISE%20%20SE%20SIGURISE%20KOMBETARE%20TE%20RSH.pdf> (accessed November 7, 2013). English version of Government of the Republic of Albania, *Albania: National Security Strategy*, International Relations and Security Network, 2004, <http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?id=155586> (accessed November 7, 2013).

By becoming a full NATO member in April 2009,<sup>45</sup> Albania achieved one of the strategic objectives of the country. Now joining the EU remains the main strategic goal. The Council of Ministers of the Albanian government created the MEI in 2004 to lead and coordinate the work of other ministries concerning European Integration matters.<sup>46</sup> Additionally, the MEI coordinates closely with the MFA and the Albanian Diplomatic Mission to the EU.

### Albania's EU integration and the required criteria

European integration encompasses the political, economic, legal, social, and cultural integration of states geographically located wholly or partially in Europe. There are a number of studies on the history of European integration with different approaches to integration theory. These theories have been useful in explaining some aspects of the EU integration, which as a process has had its development, as well as its setbacks. This integration process is outlined in the major theories on integration such as Federalism, Functionalism, Transactionalism, and Neo-functionalism.

Federalism is a theory that encompasses centralizing as well as decentralizing tendencies and it is both a theory and a political ideology. A general idea about

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<sup>45</sup>NATO, "NATO welcomes Albania and Croatia at the Summit," April 4, 2009, [http://www.nato.int/cps/en/natolive/news\\_52834.htm?selectedLocale=en](http://www.nato.int/cps/en/natolive/news_52834.htm?selectedLocale=en) (accessed November 7, 2013).

<sup>46</sup>"Ministry of European Integration mission involves technical management and coordination of Albanian European Union integration process through approximation of legislation, design of integration policies, coordination of financial assistance and informing the public about this process." See Vendim i Keshillit te Ministrave Nr. 582, date 09 Tetor 2004 [Decision of Council of Ministers No. 582, dated October 9, 2004], <http://njoftime.org/article/Vendim-i-KM-Nr-580-Date-10-09-2004.html> (accessed October 7, 2013).

Federalism as a theory in the EU context would be the use of a contract or contracts (series of intergovernmental treaties or agreements) to create supranational institutions which share power with national governments.<sup>47</sup> The ECJ, the common market, the common currency, and common European policies such as agricultural policy, structural and cohesion policy, monetary policy and others, are some of the ‘federal elements’ of the EU.<sup>48</sup>

Functionalism as a theory can be understood as ‘form follows function’ in creating institutions that are focused on meeting human needs not the demands of territorially defined political concerns. This integration theory focuses on meeting these needs by the linking of governmental responsibility to specific technical tasks and functions.<sup>49</sup>

Neo-functionalism incorporates elements of functionalism and federalism and is perhaps the most prevalent integration theory of Europe. This theory explains European Integration as a process of sharing of ‘functions’ and it places the economic factor above the political one.<sup>50</sup>

Transactionalism as integration theory explains regional integration as a process where communication and transactions among peoples changes public opinion overtime leading to a sense of ‘community’ within the region. These transactions and

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<sup>47</sup>Ben Rosamond, *Theories of European Integration* (New York: Palgrave Macmillan, 2000), 23-29.

<sup>48</sup>Bogdani and Loughlin, 15 and 17.

<sup>49</sup>Rosamond, 34.

<sup>50</sup>*Ibid.*, 54 and 56.

communication can take place through all possible topic or policy areas, be they political, economic, social, or cultural, and through all possible methods.<sup>51</sup>

Related to the study of European integration is the process of Europeanization. Scholars generally agree to use the definition for Europeanization as influence of the EU' or domestic impact of the EU. The EU requires a prospective state to adopt specific measures, adjusting its domestic policies with limited domestic institutional discretion, in accordance with the Copenhagen Criteria.<sup>52</sup> The EU introduced the criteria during the European Commission meeting in Copenhagen in 1993, and added them at the European Commission meeting in Madrid in 1995. The Copenhagen Criteria are as follows:<sup>53</sup>

1. Political criteria: stability of the institutions safeguarding democracy, the rule of law, human rights, and respect for and protection of minorities;
2. Economic criteria: existence of a viable market economy, the ability to respond to the pressure of competition and market forces within the EU;

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<sup>51</sup>Ibid., 42 and 45.

<sup>52</sup>“Membership requires that candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights, respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic, and monetary union.” See, European Council, “Conclusions of the Presidency – Copenhagen, 21-22 June 1993,” [http://www.europarl.europa.eu/enlargement/ec/pdf/cop\\_en.pdf](http://www.europarl.europa.eu/enlargement/ec/pdf/cop_en.pdf) (accessed November 7, 2013).

<sup>53</sup>European Union, “Europa, summaries of EU legislation,” [http://europa.eu/legislation\\_summaries/enlargement/ongoing\\_enlargement/l14536\\_en.htm](http://europa.eu/legislation_summaries/enlargement/ongoing_enlargement/l14536_en.htm) (accessed November 7, 2013).

3. Adapting the EU legislation: The ability to assume the obligations of a Member State stemming from the law and policies of the EU (or the *acquis*), which include subscribing to the Union's political, economic and monetary aims.

In 1997, the European Commission defined the regional approach, under which the underlying principle in developing the EU bilateral relations with the countries of Western Balkan would be the so-called political and economic conditionality.<sup>54</sup> This regional approach gave birth to the Stabilization and Association Process (SAP) that the EU tabled in 1999 and launched in November 2000 during the Zagreb Summit. During this period, the EU identified Albania as a ‘Potential Candidate Country,’<sup>55</sup> and in the Zagreb Summit formed the EU-Albania High Level Steering Group (HLSG) in order to make a new assessment of Albania’s capacity to take on the obligations of a SAA with the EU.<sup>56</sup>

The Thessaloniki Summit held in June 2003, confirmed the EU policy vis-à-vis for Albania and the Western Balkans, and focused on the SAP. The EU offered a clear

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<sup>54</sup>European Commission, “EU Research on Social Sciences and Humanities Functional. Borders and Sustainable Security: Integrating the Balkans in the European Union,” February 2005, [http://ec.europa.eu/research/social-sciences/pdf/ibeu-final-report\\_en.pdf](http://ec.europa.eu/research/social-sciences/pdf/ibeu-final-report_en.pdf) (accessed October 13, 2013).

<sup>55</sup>“Since June 2000 (European Council of Feira), all EU partners in the Western Balkans involved in the Stabilization and Association process, which are not yet recognized as candidates, are considered potential candidates for EU membership. Currently, Albania, Bosnia and Herzegovina, and Kosovo are potential candidates.” See, European Commission, “Glossary,” [http://ec.europa.eu/enlargement/policy/glossary/terms/potential-candidate-countries\\_en.htm](http://ec.europa.eu/enlargement/policy/glossary/terms/potential-candidate-countries_en.htm) (accessed January 23, 2014).

<sup>56</sup>Commission of the European Communities, *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 Stabilization and Association Agreement with Albania* (Brussels: European Commission, June 6, 2001), <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2001:0300:FIN:EN:PDF> (accessed October 14, 2013).

European perspective to the Western Balkan countries and a concrete agenda for the accomplishment of this objective. Likewise, the Thessaloniki Summit included a new element in the frame of European integration process--the individual country assessment, according to their own respective merits.<sup>57</sup>

In June 2006, the Albanian Government signed a SAA with the EU, the first step in the EU accession process. However, the agreement took three years to ratify by all member states and consequently came into force in April 2009.<sup>58</sup> In the same month (April 2009), the Albanian Government submitted their formal application for EU membership.<sup>59</sup> When meeting in Prague with his Czech counterpart Mirek Topolaneck, whose country had the EU presidency in 2009, Sali Berisha, the Prime Minister of the Republic of Albania stated, “this act has historic significance, marking the return of my nation to the family of European nations.”<sup>60</sup>

In November 2010, the EU decided to grant to Albanian citizens the liberalization of visas in the Schengen area. The Albanian Government and the Albanian citizens welcomed this decision as an historical event. On that day Bamir Topi, the president of

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<sup>57</sup>Europa, European Union in the World, “The Thessaloniki Summit: A milestone in the EU’s relations with the Western Balkans,” June 18, 2003, [http://www.eu-un.europa.eu/articles/en/article\\_2444\\_en.htm](http://www.eu-un.europa.eu/articles/en/article_2444_en.htm) (accessed October 14, 2013).

<sup>58</sup>Council of the European Union, *Stabilization and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Albania, of the other part* (Brussels: European Commission, May 22, 2006), [http://ec.europa.eu/enlargement/pdf/albania/st08164.06\\_en.pdf](http://ec.europa.eu/enlargement/pdf/albania/st08164.06_en.pdf) (accessed October 15, 2013).

<sup>59</sup>European Commission, “Albania’s application for EU Membership,” [http://www.eu-un.europa.eu/articles/es/article\\_8676\\_es.htm](http://www.eu-un.europa.eu/articles/es/article_8676_es.htm) (accessed October 15, 2013).

<sup>60</sup>BBC News, “Albania applies for EU membership,” April 28, 2009, <http://news.bbc.co.uk/2/hi/europe/8023127.stm> (accessed October 19, 2013).

Albania, would say in that speech “two decades after the fall of the isolating wall of the communist regime, a new wall has fallen.”<sup>61</sup>

The EU Commission opinion on Albania’s application for membership of the EU was published on November 2010. The opinion stated that, aside from progress made fulfilling the criteria, further efforts are needed in promoting stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities. In the Commission Opinion, the EU addressed twelve key priorities to ratify in order to give candidate status to Albania.<sup>62</sup>

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<sup>61</sup>Balkan Insight news, “Albania Welcomes ‘Historic’ Visa Liberalization Decision,” November 9, 2010, <http://www.balkaninsight.com/en/article/albania-hails-visa-liberalization-as-historic> (accessed October 20, 2013).

<sup>62</sup>European Commission, *Communication from the Commission to the European Parliament and the Council*, 11-12.

## CHAPTER 3

### METHODOLOGY

This chapter introduces a longitudinal comparative case study design, and describes the methodology used in this research in order to compare Albania in 1990 to Albania of 2013. Points of comparison will be in the areas outlined by the EU in Albania's 2009 SAA (Copenhagen Criteria):

Membership requires that candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights, respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic, and monetary union.<sup>63</sup>

The hypothesis of this research will argue that adaptation to EU accession criteria has had a significant impact on Albania, socially, economically and politically. While the null hypothesis will have to argue that adaptation to EU accession criteria has had no impact on Albania. An alternative hypothesis will be that internal social, economic, or political factors are responsible for the changes in Albania. This is a comparative case study addressing four areas--social and cultural integration, political integration, economic integration, and adopting the EU legislation.

Primary source material derives from official agreements, annual progress reports, and studies issued by the European Commission, the Government of Albania, and the Council of Europe. In addition, the EEAS provides all relevant source material for the Enlargement Policy, including bilateral agreements, policy reports, implementation

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<sup>63</sup>European Council, "Presidency Conclusions."

assessments, and press announcements. The MEI and the MFA provides similar information regarding the bilateral relations between Albania and the EU.

The research process will consist of three main phases, based on conditions for accession into the EU. The collection and selection of data and information will be developed in the first phase. The second phase will establish methods and criteria for the assessment process and will present the results of the accession conditions--Copenhagen Criteria accomplishment. In the final phase, collected data and information will be compared and analyzed in order to formulate a clear and concise conclusion.

There are different mechanisms to evaluate the process of integration of an EU candidate country. This research adopts the four explanatory mechanisms for Europeanization--conditionality, socialization, externalization, and imitation' introduced by Frank Schimmelfennig, a professor of European politics at the Center for Comparative and International Studies in Zürich, Switzerland.<sup>64</sup> According to Schimmelfennig and Sedelmeier when studying the Europeanization process of Central and Eastern Europe, they define two categories in the process of Europeanization: (1) Europeanization can be initiated either by the EU or by the individual non-member state, and (2) Europeanization can follow either a logic of consequences or a logic of appropriateness.<sup>65</sup> The approach presented by Schimmerlfennig which will also be used for this research, is shown below (see table 1).

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<sup>64</sup>See, manuscript of Frank Schimmelfennig, "Europeanization beyond the member states" (Paper for: Zeitschrift für Staats- und Europawissenschaften 2010), [http://www.eup.ethz.ch/people/schimmelfennig/publications/10\\_ZSE\\_Europeanization\\_\\_manuscript\\_.pdf](http://www.eup.ethz.ch/people/schimmelfennig/publications/10_ZSE_Europeanization__manuscript_.pdf) (accessed January 3, 2014).

<sup>65</sup>Frank Schimmelfennig and Ulrich Sedelmeier, *The Europeanization of Central and Eastern Europe* (New York: Cornell University Press, 2005), 8-9.

Table 1. Mechanisms and Conditions of Europeanization

|                                 | <b>Direct</b>                                                                                                                                               | <b>Indirect</b>                                                                       |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Logic of consequences</b>    | <i>Conditionality</i><br><br>(size and credibility of incentives, costs of compliance)                                                                      | <i>Externalization</i><br><br>(market size, legalization and centralization of rules) |
| <b>Logic of appropriateness</b> | <i>Socialization</i><br><br>(noviceness and uncertainty; legitimacy, authority of EU; identification, resonance with EU; frequency and density of contacts) | <i>Imitation</i>                                                                      |

*Source:* Frank Schimmelfennig, “Europeanization beyond the Member States” (Paper for: Zeitschrift für Staats- und Europawissenschaften 2010), [http://www.eup.ethz.ch/people/schimmelfennig/publications/10\\_ZSE\\_Europeanization\\_\\_manuscript\\_.pdf](http://www.eup.ethz.ch/people/schimmelfennig/publications/10_ZSE_Europeanization__manuscript_.pdf) (accessed January 3, 2014).

In the table above, conditionality and externalization follow a “logic of consequences,” while socialization and imitation follow a “logic of appropriateness” model. Conditionality involves the direct impact of the EU on the non-member state. In this mechanism, the EU initiates the process of Europeanization in order to reward the non-member state in the integration process. Financial support, technical assistance agreements, or full membership, are some of the rewards the EU uses to attract the

adhering states.<sup>66</sup> For the Western Balkans, meeting the Copenhagen Criteria and adopting the *acquis communautaire*<sup>67</sup> is conditional to gain EU membership.

In contrast to conditionality, externalization falls under the indirect impact and is a process of Europeanization in which non-member states adapt policies, laws, and institutions to the standards of the EU, without the initiation of the EU.<sup>68</sup>

Socialization is related to conditionality and is a mechanism initiated by the EU in order to encourage the non-member states to undergo the process of integration. In this case, the EU attempts to disseminate its beliefs and values by changing or altering preferences in other countries. The non-member states adopt and comply with EU rules if they are convinced of their legitimacy and appropriateness and if they accept the authority of the EU.<sup>69</sup>

Imitation is another mechanism, which falls under indirect impact and is related to the externalization mechanism. The non-member state adopts EU values and standards simply because of appropriateness. They imitate the EU because they recognize EU rules and policies as appropriate solutions to their own problems.<sup>70</sup>

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<sup>66</sup>Ibid.

<sup>67</sup>The cumulative body of EU laws, comprising the objectives, substantive rules, policies and, in particular, primary, and secondary legislation and case law—all of which form part of the legal order of the European Union. This includes all the treaties, regulations, and directives passed by the European institutions, as well as judgments laid down by the European Court of Justice.

<sup>68</sup>Schimmelfennig and Sedelmeier, 8-9.

<sup>69</sup>Ibid.

<sup>70</sup>Ibid.

This thesis will examine which of the four mechanisms--conditionality, socialization, externalization, and imitation is relevant to the case of Albania, and if they follow a logic of consequences or a logic of appropriateness model.

The process of data collection will be developed based on the tertiary questions of the research. The first tertiary question is related to European identity of Albania.

Geographically, Albania has always been part of the European continent, thus part of Europe itself. In the historical and political context, Albania has been 'detached' from Europe 500 years during the Ottoman occupation and 45 years during the communist rule.<sup>71</sup> However, Albanians consider themselves European, from not only the geographical point of view but also historically and culturally pertaining to the European values and to the European family.<sup>72</sup>

The second tertiary question is related to Albanian society under the communist rule. Considered one of the major handicaps in Albania's efforts to accomplish EU's accession conditions, more than forty years of communism may represent a major reason for Albanian people to take actions in favor of Euro-Atlantic organization's membership. Issues such as communist economy, austerity of communist life, and human rights violations, will be part of this question.

The third tertiary question will consider threats and risks to Albania's security, as well as the newly created security environment in Central and Eastern Europe, as a major motive for Albania's interest in Euro-Atlantic organizations membership.

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<sup>71</sup>Bogdani and Loughlin, 32.

<sup>72</sup>Ibid.

Addressing the questions related to the level of progress toward the achievement of Albania's 2009 SAA, will represent the core of the research process. The research will adopt different “metrics”<sup>73</sup> to measure the performance, social, environmental, and/or economic impacts, which have affected Albania on the road toward EU integration since the fall of communism in the beginning of the 1990s. The basis for evaluation is the SAA, signed by the Albanian Government in June 2006 and entered into force in April 2009. According to the European Commission Progress Reports on Albania, the EU measures progress based on “decisions taken, legislation adopted and measures implemented.”<sup>74</sup> The Commission to ensure equal treatment for all the reports, does not take into account “legislation or measures which are under preparation or awaiting parliamentary approval.”<sup>75</sup> As shown previously, the EU accession conditions address general capabilities that candidates have to present in domains such as: political, economic, and adherence to the EU legislation.

The research process will assess political criteria which encompass democracy and the rule of law, human rights and the protection of minorities, regional issues and international obligations, by using sources from Freedom House and the EU.

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<sup>73</sup>To be valid, a performance metric should be “measurable, have clear definition and boundaries, indicate progress toward a performance goal, and answer specific questions about performance. See Clinton Global Initiative University, “Commitment Resources,” <http://www.cgiu.org/commitments/resources.asp> (accessed January 28, 2014).

<sup>74</sup>European Commission, *Albania 2013 Progress Report* (Brussels: European Commission, October 16, 2013), [http://ec.europa.eu/enlargement/pdf/key\\_documents/2013/package/al\\_rapport\\_2013.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/al_rapport_2013.pdf) (accessed January 28, 2014), 3.

<sup>75</sup>*Ibid.*

The economic criteria will be assessed by using resources from WB as well as IMF. The Copenhagen economic accession criteria require acceding countries to be “functioning market economies, and to have, by the date of accession, the capacity to cope with competition and market forces within the EU.”<sup>76</sup> The EU Commission through the Directorate General for Economic and Financial Affairs monitors and assesses the candidate countries' progress in complying with these two criteria. This directorate every year prepares an ‘occasional paper’ namely “Economic and Fiscal Programs of Potential Candidate countries: EU Commission’s overview and country assessments.”<sup>77</sup> For economic freedom, the author presents two studies that produce numerical measures: the Fraser Institute’s *Economic Freedom of the World* index, and The Heritage Foundation *Index of Economic Freedom*.

One of the key conditions of the Copenhagen Criteria is acceptance and adoption of the EU legislation or the *acquis communautaire* in order to be able “to take on the obligations of membership, including adherence to the aims of political, economic, and

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<sup>76</sup>The Commission in its progress reports assesses and monitors the progress of candidate countries in meeting economic accession criteria annually. Since 2006, the monitoring of progress on the Copenhagen accession criteria has been extended to the potential candidate countries (also in annual progress reports) from the Western Balkans (Albania, Bosnia and Herzegovina, and Kosovo). See, European Commission, “Economic Accession Criteria,” [http://ec.europa.eu/economy\\_finance/international/enlargement/criteria/index\\_en.htm](http://ec.europa.eu/economy_finance/international/enlargement/criteria/index_en.htm) (accessed February 2, 2014).

<sup>77</sup>European Commission, Occasional Papers 97, *2012 Economic and Fiscal Programs of Albania, Bosnia and Herzegovina: EU Commission’s overview and country assessments*, June 2012, [http://ec.europa.eu/economy\\_finance/publications/occasional\\_paper/2012/pdf/ocp97\\_en.pdf](http://ec.europa.eu/economy_finance/publications/occasional_paper/2012/pdf/ocp97_en.pdf) (accessed February 2, 2014).

monetary union.”<sup>78</sup> Countries that are potential candidates (Albania) or candidates for accession to the EU by signing the SAA have committed themselves to adopting all the elements of the European system. The EU annual Progress Reports on Albania will assess the adaptation of the EU legislature or *acquis*.

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<sup>78</sup>See, Europa, “Glossary: Accession Criteria (Copenhagen Criteria),” [http://europa.eu/legislation\\_summaries/glossary/accession\\_criteria\\_copenhagen\\_en.htm](http://europa.eu/legislation_summaries/glossary/accession_criteria_copenhagen_en.htm) (accessed February 2, 2014).

## CHAPTER 4

### DATA FINDING AND ANALYSIS

This chapter addresses the findings of the research involving the areas of Albania's political, economic, legal, social, and cultural integration, using the methodological approach outlined in chapter 3 to determine whether the efforts to join the EU have changed Albania of 1990 to Albania of 2013. In order to answer the primary question of the thesis, the author selected an analytical evaluation process that could provide concrete evidence about the extent of the readiness of Albania to gain EU candidate status. This thesis will use the analytical process outlined in the previous chapter using data provided by different measurement sources.

In order to find an answer to the primary question, the secondary questions constitute the framework of the process of comparing Albania in 1990 to Albania of 2013. Therefore, in the beginning, the analysis focuses on the reasons that led Albania to seek EU membership. Three main aspects are considered the most relevant for the analysis of the conditions of Albania in the early 1990s: European identity of Albania, Albanian society under the communist regime, and the new security environment after the fall of the Berlin Wall.

The second research question will analyze Albania of 2013. The basis for this analysis will be the SAA with the EU, and will be developed in three phases' each of them focused on the following requirements: political criteria, economic criteria, and adopting the EU legislation.

The last step of the research process will address the final question that constitutes the main challenges Albania faces in the efforts towards EU integration. This question

will be part of the conclusion and the answers for it will be drawn from the analyses of conditions of Albania of 2013.

### Reasons for Albania to undergo the process of EU integration

The fall of the Berlin Wall which marked the end of Cold War, followed a broad transformation in Central and Eastern Europe, in terms of economic development, democracy and the rule of law, internal socialization, as well as regional security and stability. The core values that the EU promoted “human dignity, freedom, democracy, equality, the rule of law, and the respect for human rights,”<sup>79</sup> seemed attractive for a small country and its people, which had gone through one of the most repressive dictatorships and isolationist ideologies that Europe had ever known.

Besides the obvious desire for the economic advantages and benefits of a democratic way of life, this thesis will analyze other reasons that convinced Albania to seek EU membership. These reasons include the European identity of Albania, the impact of communist rule on the Albanian society, and the new European security environment after the end of the Cold War.

### European identity of Albania

The definition of what is Europe or who is European is complex. Beside Geography, which provides the physical framework, values are the fundamentals of European borders.<sup>80</sup> Valéry Giscard d’Estaing, who chaired the Convention on the Future

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<sup>79</sup>Europa, “A Europe of Rights and Values,” Treaty of Lisbon, [http://europa.eu/lisbon\\_treaty/glance/rights\\_values/index\\_en.htm](http://europa.eu/lisbon_treaty/glance/rights_values/index_en.htm) (accessed February 8, 2014).

<sup>80</sup>Bogdani and Loughlin, 32.

of Europe, commented in a French newspaper that Europe had three source of identity-- Greco-Roman philosophy and law, Enlightenment Humanism and Judeo-Christian Religion.<sup>81</sup>

Geographically, Albania has always been European and part of the European continent. In the historical and political context, Albania has been ‘detached’ from Europe by 500 years during the Ottoman occupation and by 45 years during the communist rule. These divisions have had a significant impact on the Albanian society.<sup>82</sup> However, after the fall of communism the opening up to the world and the economic, social, cultural and technological effects of globalization, have helped to close this gap.

Due to the long Ottoman Rule, Albanians inherited the Muslim religion, and today the majority population in Albania is Muslim. The figures of the first census conducted in 1929, showed 70 percent Muslim, 20 percent Eastern Orthodox and 10 percent Roman Catholic. A more recent official census conducted in 2011, counted 58 percent Muslim, 17 percent Roman Catholic and Eastern Orthodox. Around 25 percent of citizens preferred not to answer.<sup>83</sup>

Religion however, has not been an important aspect of Albanian nationality. During the Albanian National Renaissance in the late 1800s, the motto was “Albanians, don’t see Churches and Mosques, Albania’s religion is Albanianism.”<sup>84</sup> In addition,

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<sup>81</sup>Ibid.

<sup>82</sup>Ibid.

<sup>83</sup>INSTAT (The Albanian Institute of Statistics) web site, <http://www.instat.gov.al/> (accessed May 8, 2014).

<sup>84</sup>Jacques, 562.

tolerance and harmony best characterizes religion in Albania, thus setting a good example for Europe as well. Moreover, the Communist regime banned religion from 1967 to 1990 and destroyed most of the churches and mosques, thus diminishing the role of religion in society.

When speaking about the European identity of Albanians, one has to mention that Albanians are direct descendants of the Illyrians and the Albanian language is *Indo-European*, one the oldest in the continent. In addition, the Albania heritage dates back to the Roman times, and at least three cities (Durrresi, Shkodra and Berati) have the same age as Rome. Furthermore, Albania under the leadership of ‘Scanderbeg’ defeated the Ottomans for 25 years (1443-1468), and blocked them from reaching the Western Christianity.<sup>85</sup>

#### Albanian society under the communist regime

On the eve of the end of World War II, the Albanian Communist Party, formed in 1941, took over without any influence or support from the Soviet Union. Beside some opposition from the people on the northern Albania--which were subdued quickly, Albania began a long period of communist life. This is a complex aspect and it is difficult

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<sup>85</sup>“Scanderbeg” was a title given by Ottomans, which means “Lord Alexander.” He is considered as one of the most brilliant military generals at all times. The Ottomans took him hostage when he was nine. He took selected training of the elite Imperial Guard (Janissaries) and became a very skillful commander, winning many battles for the Ottomans. In the battle of Nish on November 3, 1443, he left the Ottoman army and together with 300 warriors turned to his motherland Albania. He managed to defeat the Ottoman armies for 25 years, protecting the Western Christianity. Pope Pius II and Pope Paul II called him the “Christian Gideon,” the “Sword of Christendom,” and other Christian names. Around his helmet, the initials meant “Jesus of Nazareth Blesses Scanderbeg Prince of Mat King of Albania Terror of Ottomans King of Epirus.” Jacques, 177-178, and 188-189.

to address in only a few pages, so the focus of this analysis is communist economic aspects, the austerity of communist life, and human rights.

### Communist economy

Hoxha's highly centralized economic management system, characterized by an absence of initiative and motivation, had stunned economic thinking and appeared uniquely unsuited to tackle the country's growing problems.<sup>86</sup>

The end of World War II found Albania a predominantly agricultural society, without any industrial base, and its rich natural resources were unexplored. Political and ideological factors influenced Albania's economic performance and the economic system, following the seizure of power by the Communist Party in November 1944. The Stalinist model, which offered central planning, hierarchical decision-making, and achievement of physical production targets, was adopted as the economic policy of the country and with some minor changes continued until mid-1990s.<sup>87</sup>

Like other communist governments in postwar Eastern Europe, Albania "made industrialization the principal aim of their economic policy, and state management the means."<sup>88</sup> Nationalizing all the factories was Albania's first step, followed by the nationalization of all industry, banks, the transportation system, and all other national sources' including minerals and forests. This happened quickly without compensation. By 1946, nearly all productive units became state or collectively owned, and the private

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<sup>86</sup>Biberaj, 74.

<sup>87</sup>Blejer et al., 6.

<sup>88</sup>Peter R. Prifti, *Socialist Albania since 1944: Domestic and Foreign Development* (Cambridge, MA: The Massachusetts Institute of Technology, 1978), 5.

property almost disappeared.<sup>89</sup> In addition, the new Constitution drafted by Hoxha, and adopted in 1976, banned all credit and investment from abroad. The introduction of the concept of socialist economy abolished all personal property.<sup>90</sup>

However, despite these drastic measures toward centralization, Albania benefited from tremendous economic growth compared to the pre-World War II era, due to adoption of the Stalinist model of rapid industrialization with five-year plans. This policy led to the creation of a multi-branched industry, which in 1985 was generating some 43 percent of the total national income. This was twice as high as compared to 18.6 percent in 1960.<sup>91</sup> Natural resources, such as oil, chrome, copper, iron, and hydropower had priority. In 1984, the Albanian economy produced two million tons of coal; 960, 000 tons of chromium; and more than one million tons each of iron and nickel.<sup>92</sup> Agricultural production also noted significant development. New programs of land reclamation, soil improvement, introduction of new farm techniques and mechanization had affected the modernization of agricultural production. Agriculture was almost entirely socialized having more than 80 percent of the cultivated area in the hands of collective farms and some 18 percent in the hands of the state.<sup>93</sup> Officially, the collectivization of agriculture was a voluntary process. However, the data and the sources suggest that the process was not voluntary but met with resistance from the population. One example of resistance by

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<sup>89</sup>Ibid., 53.

<sup>90</sup>Blejer et al., 7.

<sup>91</sup>Biberaj, 67-68.

<sup>92</sup>Ibid., 6.

<sup>93</sup>Ibid., 69.

the peasants was regarding livestock, which in many cases were slaughtered in order not to hand them over to the state farms.<sup>94</sup>

Other aspects of the Stalinist model were hierarchical decision-making, and achievement of physical production targets. The economy had two principal forms of productive units--state enterprises operating in agricultural, industrial, and trading sectors, and agricultural companies. The state enterprises were relatively large and state budget covered their expenses. They did not have autonomy and were subject to central planning. On the other hand, the agricultural companies were mostly financed by bank loans or self-financed.<sup>95</sup> In the state enterprises, “the enterprise directors had no economic decision-making power and relied completely on directives from the relevant branch ministry or the executive committee.”<sup>96</sup> In the mid-1960s, due to the growing anger within the enterprise workers, Hoxha issued a *Cultural and Ideological Revolution* in order to strengthen the control of the Albanian Party of Labor (APL) through all the aspects of the society. Thus, instead of receiving a detailed plan from the state hierarchy, workers had to prepare broad *plan targets*, and send them to the higher authorities for approval. However, the decision-making was still in the hands of the central planners.<sup>97</sup> With this move of the government, the position of the managers, continued to decrease. They faced several salary cutbacks and their authority over the enterprises decreased. Most of the time they were under pressure for not achieving the high targets set by the

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<sup>94</sup>Prifti, 66-67.

<sup>95</sup>Blejer et al., 7.

<sup>96</sup>Ibid., 8.

<sup>97</sup>Ibid.

state. In 1985, a system of points was established to measure the productivity of the enterprise. If the points were below the critical level, salaries could be cut up to 10 percent annually.<sup>98</sup> Even though these changes had the intention to increase the popular support for the APL, they did not affect economic decision-making.<sup>99</sup>

Considering these aspects, the Stalinist model for the primacy of industry, which offered central planning, hierarchical decision-making, and achievement of physical production targets, resulted in an extremely negative influence on both Albania's economic development and its people's life. This model established an environment totally opposed to an effective market economy and burdened the life of the Albanian people.

#### Austerity of communist life

Ineffectiveness of communist economic politics and programs was not the only reason for the austere life of Albanians. Albania's dictator, Enver Hoxha, was a fan of the extreme forms of communism and he wanted to control all aspects of society by dominating Albania's social, cultural, and religious life.

Between 1945 and 1978, Albania's economy and industrialization process was heavily dependent on foreign assistance, which came from Yugoslavia (1945-1948), the Soviet Union (1948-1961), and China (1962-1978).<sup>100</sup> The positive fast growing economy until the mid-1970s had a drawback with the reduction of foreign assistance

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<sup>98</sup>Ibid., 9.

<sup>99</sup>Ibid.

<sup>100</sup>Biberaj, 67.

from China, following the break of relations in 1978. The austerity measures became even more severe, with the communist government following a total isolation policy. This was tied to the strong desire of Hoxha for Albania to become nationally self-reliant. The adoption of the self-reliance policy was manifested with the slogan “we Albanians would prefer to eat grass, than to sell our principles.”<sup>101</sup> Fixed prices and salaries, low rates of trade and a very low standard of living characterized the country’s economy. The majority of the population lived in bad conditions. In contrast, the *nomenklatura class*<sup>102</sup> enjoyed privileges and lived a very good life in a guarded area in Tirana, known as *Blloku* (‘the block’). Food was difficult to obtain and to make things worse--the government was distributing foodstuffs by rationing them to the people. This was done in order to increase exports and minimize imports.

As with the economy, centralization expanded even into cultural life. Thus, cultural events of the country were mostly organized in the capital, Tirana. *The Albania Cultural Revolution* (1966-1969), which was a copy of *the China’s Cultural Revolution*,<sup>103</sup> wanted to eliminate any potential power that could threaten the APL and

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<sup>101</sup>Bogdani, and Loughlin, 27.

<sup>102</sup>Nomenklatura—An adapted version of Soviet system, in which a group of managers and bureaucrats are engaged in ceaseless political maneuvering among themselves while maintaining total power, as a privileged class, over all the others. See, John C. Campbell, reviewed “Nomenklatura: The Soviet Ruling Class,” by Michael Voslensky, *Council on Foreign Relations* (Winter 1984/85), <http://www.foreignaffairs.com/articles/39271/john-c-campbell/nomenklatura-the-soviet-ruling-class> (accessed February 19, 2014).

<sup>103</sup>World English Dictionary. China’s Cultural Revolution—Also called: Great Proletarian Cultural Revolution (in China) a mass movement (1965--68), in which the youthful Red Guard played a prominent part. It was initiated by Mao Tse-tung to destroy the power of the bureaucrats and to revolutionize the attitudes and behavior of the people.

the communist regime. The government undertook a number of campaigns against western culture and foreign influence with the goal of creating national unity.<sup>104</sup> In addition, when television was first introduced in Albania in the 1970s, the government banned all foreign TV channels from neighboring countries (Italy, Greece, and Yugoslavia) leaving only the Albanian National Radio and Television as the only choice to watch.

Another aspect that affected the country's cultural life was abolishing religion. The new constitution introduced in 1967, abolished all religious practices in Albania, including churches, mosques, monasteries, and other religious institutions, making Albania "the first atheist state in the world."<sup>105</sup> The communist government described the act as a decisive victory that prepared the ground for the complete emancipation 'of the people' from religious beliefs.<sup>106</sup> The opposition to this act by the Catholic, Moslem, and Orthodox leadership was diminished quickly and by 1968, some 200 clergymen had been executed or sent to labor camps in the most remote places in Albania.<sup>107</sup> People could not practice their religion in public, and many of the religious buildings were destroyed to the ground. In addition, the new Albanian penal code in June 1977 emphasized the

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<sup>104</sup>Richard Frucht, ed. *Eastern Europe: Introduction to the People, Lands and Culture* (Santa Barbara, CA: ABC-CLIO, 2005), 718.

<sup>105</sup>Prifti, 150.

<sup>106</sup>*Ibid.*

<sup>107</sup>*Ibid.*, 153.

antireligious attitude of the communist regime, specifying that penalties (imprisonment between 3 and 10 years) would be carried out for religious agitation and propaganda.<sup>108</sup>

By analyzing the historical data (having in mind the dependence of the Albanian economy on foreign assistance during the years 1948-1978), the ambition of national self-reliance was beyond Albania's economical capabilities. This caused the drastic reduction in the standard of living. In addition, adoption of a Cultural Revolution (like China's) served to create a huge gap and contrast between the political class and the people. Furthermore, the deprivation of religion had an impact on the spiritual life of the Albanian society. Finally, it is worth mentioning that the aspects presented above are only a few from a long list of cruel decisions that have deeply affected the Albanian people's life.

#### Human rights violations

Human rights issues related to the strict control of the population, civil liberties, or freedom of religious beliefs made life by the 1980s very difficult for the Albanian population.

One of the control measures, established to protect the communist system, denied Western countries access to the realities of Albanian society. However, some Western organizations monitored Albania and one of them was the human rights organization Amnesty International (AI). A 1984 AI report stressed the human rights violations in the communist country. The report focused particularly on political imprisonment, and described the severe conditions of the prisons and forced labor camps. In addition, AI expressed concerns about the "jailing of prisoners of conscience; the legislation restricted

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<sup>108</sup>Jacques, 501.

the exercise of internationally recognized human rights; breaches of international standards of fair trial; allegation of the torture and maltreatment of detainees' especially during investigation procedures; and the use of death penalty."<sup>109</sup> Albania had not ratified the International Covenant on Civil and Political Rights' the International Covenant on Social, Economic, and Cultural Rights, and was not a signatory of the Final Act of the Conference on Security and Cooperation in Europe (Helsinki 1975). Due to this fact, in their report AI concluded that the APL as instrument of class struggle used constitutional and legal provisions affecting human rights.<sup>110</sup> Another organization that denounced the violation of human rights in Albania was an the American human rights organization' Minnesota Lawyers International Human Rights Committee, which in 1990, accused the Albanian Government of suppressing freedom of religion, expression, movement and association.<sup>111</sup>

While the other countries of Eastern Europe had moved toward democracy, Albania continued to remain the last bastion of Stalinism. This system had overwhelmed the political growth and freedom of the people, removed individual initiative, and distorted economic development.<sup>112</sup> The totalitarian regime controlled all aspects of individual's lives and society. It destroyed freedom of expression and independent thought. Class struggle was used to justify the political prosecution of people and class enemies, which ended in prison terms and internal exile, or execution. In addition,

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<sup>109</sup>Biberaj, 51.

<sup>110</sup>Ibid.

<sup>111</sup>Ibid., 51-52.

<sup>112</sup>Ibid.

political and civic pluralism and democratic institutions were forbidden. The communist regime also abolished all forms of private sector activity and private property as well as annihilating religious groups and banning religious practices.<sup>113</sup>

As noted above, after the break in relations with China, Albania was going through total isolation. This isolationist policy made Albania a gigantic prison. Those who tried to escape from it were considered traitors of the homeland and were imprisoned for a long time, or shot by the border guards.<sup>114</sup> The communist dictatorship prohibited the free movement of people and did not allow any international organization in country before 1991. They created an atmosphere of external enemies in order to justify these isolationist measures. This led to the building of thousands of concrete bunkers (around 400.000), as the country prepared for an attack from abroad, mainly from its “two biggest enemies--Soviet revisionists and American Imperialism.”<sup>115</sup>

These examples illustrate the harsh life suffered by the Albanians during the communist regime, and facilitate the understanding of the reasons why the Albanian people were anxious to embrace democratic values and way of life by applying for Euro-Atlantic integration.

The new security environment after the fall of the Berlin Wall

The fall of Berlin Wall was followed by the fall of communist regimes in most of the Central and Eastern European countries. Most of the Soviet Union occupied countries

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<sup>113</sup>Bogdani and Loughlin, 23.

<sup>114</sup>Ibid., 24.

<sup>115</sup>Ibid.

won their independence without conflicts. However, in the Balkans, Yugoslavia broke apart in a series of wars with Serbia as the main protagonist. The Croatian and Bosnian conflicts devastated the area and produced thousands of victims and displaced persons. During this series of Balkan wars, Europe witnessed the worst fighting on its territory since the end of World War II.

In 1998–1999, violence started again in Kosovo, with the Albanian population calling for independence from Serbia. Ethnic cleansing and atrocities conducted by Serbian troops convinced NATO to start a bombing campaign, which forced the Milosevic regime to withdraw from Kosovo. More than 600.000 Kosovo Albanians fled to Albania for shelter.

Throughout history, the Balkans has been a place of conflict. The history of these nations has been marked by cultural and religious divisions between ethnic groups, as well as by the struggle for existence. This series of wars between neighboring countries was concerning and had a direct impact on Albania's desire to join NATO.

### Analyses of Accomplishment of EU Conditions

The EU's enlargement process is subject for analysis in many of the EU summits, conferences, and workshops. In addition, every year the EU Commission publishes a progress report for each potential candidate country. Furthermore, different measurement sources measure different aspects of the progress of a country (WB, IMF, Freedom House etc.). This subchapter will present the results from these kinds of assessments and use them to find an answer for the primary question of this thesis. The results of the assessment of political and economic conditions will represent the subject for a mathematical (graphical) analysis, which will provide a clear picture of the extent to

which Albania has met the required criteria for gaining EU candidate status, and how these efforts have changed Albania of 1990 to Albania of 2013.

### Political integration

Professor Elke Thiel from the Bamberg Economic Research Group on Government and Growth suggests that: “EU membership may be the final objective. Yet, it is the *European journey* that brings rewards.”<sup>116</sup> In fact, the transition from the most isolated and centralized political and economic system in the world in the late 1980s, to an open democracy has not been easy for Albania. It was almost 15 years after the fall of communism that Albania signed the Stabilization and Association Agreement (SAA) and an Interim Agreement with the EU in 2006. However, the SAA only entered into force in 2009, after all the EU member countries ratified it. Since then, in its efforts to meet the EU political accession criteria Albania has made progress in installing procedural democracy, but on the other hand political democratization at the level of substantive democracy is progressing more slowly. An unstable and immature political climate, characterized by political conflicts and crises, is responsible for this. An example of this is the fulfilment of twelve key priorities identified in the EU Commission’s Opinion on Albania’s application for membership of the EU. It was not until November 2011, that the ruling majority and opposition reached a political agreement, ending the political stalemate that resulted from the 2009 parliamentary elections. The agreement had as a priority the fulfilment of key priorities of the EU such as carrying out electoral reform,

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<sup>116</sup>Elke Thiel, “European Integration of Albania: Economic Aspects” (Working Paper No. 49, Bamberg Economic Research Group on Government and Growth Bamberg University, November 2004), [http://www.uni-bamberg.de/fileadmin/uni/fakultaeten/sowi\\_lehrstuehle/vwl\\_finanzwissenschaft/DAADProjekt/Publikationen/pberg49.pdf](http://www.uni-bamberg.de/fileadmin/uni/fakultaeten/sowi_lehrstuehle/vwl_finanzwissenschaft/DAADProjekt/Publikationen/pberg49.pdf) (accessed March 24, 2014), 1,

improving the parliament's rules of procedure, and adopting all pending laws requiring reinforced majority.<sup>117</sup>

This section of the chapter will analyze Albanian political relations with the EU by focusing on the key events that have marked the integration process of meeting Copenhagen political criteria, which requires that the countries wishing to join the EU to guarantee democracy through the stability of institutions, the rule of law, human rights, and respect for and protection of minorities.<sup>118</sup>

#### Human rights and the protection of minorities

Despite the harsh life during the communist regime, which imposed strict control of the population, civil rights, and freedom of religious beliefs, Albania has been generally successful in providing civil liberties since the fall of communism. The constitution protects the rights of national minorities and the state creates the necessary environment for the development of minority groups and expression of their identities without discrimination. The freedom of expression and the promotion of minorities' rights and interests were consolidated by assuring them of representation in the house of Parliament. Albania has ratified a number of UN and European conventions including the European Convention on Human Rights in 1996.

The EU Commission 2013 Progress Report stresses the steps taken by Albania “to reinforce protection of human rights, and to effectively implement anti-discrimination

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<sup>117</sup>European Commission, *Albania 2012 Progress Report* (Brussels: European Commission, October 10, 2012), [http://ec.europa.eu/enlargement/pdf/key\\_documents/2012/package/al\\_rapport\\_2012\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/al_rapport_2012_en.pdf) (accesses March 24, 2014), 6.

<sup>118</sup>European Council, “Conclusions of the Presidency.”

policies.”<sup>119</sup> In addition, the report points out “freedom of assembly and association, and freedom of thought, conscience, and religion has generally been respected.”<sup>120</sup> However, Albania has to put some more efforts toward improving the living conditions and education of the Roma people. In addition, the commission notes the solution of the lack of clarity over property rights as another issue that needs the attention of the Albanian government.<sup>121</sup>

In conclusion, these efforts relate to overcoming the communist legacy as well as to comply with the EU conditions for promoting human rights and the protection of minorities. The Albanian government needs to foster these rights, as they are the main pillars that show the democratization of the country.

#### Regional issues and international obligations

The end of Cold War did not bring a totally secure environment in South-Eastern Europe and particularly in the Balkans. The legacy of the insecure environment left by the Balkan wars, the problems of organized crime and corruption, and the illegal immigration that continues to flow to Europe from the Middle East, Africa and Asia are security concerns, which Albania sought to address through positive relationships with its neighbors. Even though there are ethnic Albanians living in all neighboring states, a coordinated effort between these states and Albania regarding integration in the EU would remove any latent tensions with the other states regarding relations with their

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<sup>119</sup>European Commission, *2013 Progress Report, Albania*, 10.

<sup>120</sup>*Ibid.*

<sup>121</sup>*Ibid.*, 10-11.

ethnic Albanians. To join the EU states must respect international borders, having no border disputes, as well as respecting minority rights. Despite the ethnic unrest in the region, Albania found peaceful solutions for affected relationships through bilateral agreements or within an appropriate international forum. Albania's decision to join the European and Euro-Atlantic organizations has significantly contributed to development of proper relations with the other states in the region--Italy, Greece, the former Yugoslav Republic of Macedonia (FYROM),<sup>122</sup> Montenegro and Kosovo in particular.

From a historical perspective, Albania-Greece relations are specifically important, due to the numerous events and circumstances that continuously fostered tense relations between the two states. According to the 2011 census, the Greek minority in Albania numbers about 25,000 people. The Albanian government guarantees their minority rights and their representatives are part of the parliament and government. On the other hand, the Albanian minority in Greece has faced serious problems of discrimination and violation of minority rights. The main unsolved issue between two countries remains the "Çam" issue. Çams are one of two groups (the other one is Arvanites)<sup>123</sup> of Albanian descent living in Greece.<sup>124</sup>

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<sup>122</sup>Turkey recognizes the Republic of Macedonia with its constitutional name.

<sup>123</sup>The word "Arvanite" (how the Greeks call them) or "Arbëresh" (how the Albanians call them) refers to the Albanians of Greece who have migrated from present day Albania to present day Greece as early as 11<sup>th</sup> and 12<sup>th</sup> century AD. It is estimated 1.6 million Greek citizens have Arvanites origin. In addition, most of the leaders of the Greek National Revolution were of Arvanites origin. Carl Waldman and Catherine Mason, *Encyclopedia of European People* (New York: Infobase Publishing, 2006), 38-39.

<sup>124</sup>Greece expelled the Çam Albanians from the Çameria region to Albania during 1912-1945 and they are not allowed to return to their homes in Greece and reclaim their property. Robert Elsie and Bejtullash Destani, ed., *The Cham Albanians of Greece: A Documentary History* (London: I.B. Tauris, 2013), 37-38.

Italy is also a political and economic partner for Albania. It remains the most important trading partner, drawing more than half of Albanian merchandise exports and providing a third of its imports. In addition, nearly 300,000 Albania citizens have migrated to Italy after the fall of communism. Furthermore, the Albanian community “Arbëresh”<sup>125</sup> that has lived in Southern Italy for more than 500 years fosters cultural ties as well.

The relations with FYROM share same efforts to integrate in the Euro-Atlantic organizations. The SAP introduced by the EU for the Western Balkans has been very effective in reinforcing the political and economic ties between the two states. In addition, the population of FYROM is one-third ethnic Albanian, and they play a significant role in expanding these relations.

The specifics of Albania’s relations with Kosovo stem from shared cultural and historical ties and from the indisputable fact that the majority of citizens from the two states are the very same people--Albanian. In addition, Albania was home to more than 600,000 Kosovo Albanians who left their houses due to the ethnic cleansing by the Serbian forces during the Kosovo War in 1999.

As part of the SAP, Albania is committed to maintaining positive relations with neighboring countries and EU member states. “Regional cooperation and good

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<sup>125</sup>The word “Arbëresh” refers to the Albanians of Italy, Greece, or Dalmatia who descent from the Albanians who migrated in the middle ages, due to the Ottoman invasion. The Albanian people began to settle in Italy about 1400 AD. They currently live in 49 mountain towns mainly in the south of Italy and Sicily. Giuliana B. Prato, ed., *Minorities in Italy: The case of Arbëresh and Albanian Migrations*, in “Beyond Multiculturalism: Views from Anthropology” (Furnham: Ashgate Publishing, 2009), 80.

neighborly relations form an essential part of the process of moving towards the EU.”<sup>126</sup>

Albania is also active in regional initiatives, including the South-East European Cooperation Process, the Regional Cooperation Council, the Central European Free Trade Agreement, the Energy Community Treaty (ECT), and the European Common Aviation Area Agreement (ECAA).<sup>127</sup>

In conclusion, Albania has worked to establish harmonious and constructive political, economic and security relationships. Driven by the decision to apply for European and Euro-Atlantic organizations’ memberships and the desire to promote a peaceful environment in the region, Albania participates in several cooperation programs, contributing to the preservation of stability and security in South Eastern Europe.

### Democratization

The evidence shows that since the fall of communism and over the course of two decades of long democratic transition, Albania has made slow but significant progress toward democratization. Considering that the EU political goals for the adhering countries focuses on adoption of democratic values and development of a social environment based on freedom and civil liberties, the analysis here presents the results developed by Freedom House and the assessment of the EU Commission.

*Democratic Freedom:* The evaluation of democratic freedom is based on ratings for political rights and civil liberties. Freedom House’s method of assessment considers countries as *free*, *partially free*, or *not free*, corresponding with rating values between 1

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<sup>126</sup>European Commission, *2013 Progress Report, Albania*, 8.

<sup>127</sup>*Ibid.*

and 2.5 (free countries); 3 and 5.5 (partially free countries); and 5.5 and 7 (not free countries). Table 2 presents the democratic freedom score for Albania.

Table 2. Freedom House–Evaluation of Democratic Freedom–Albania

| Country | Freedom status | Political rights | Civil liberties |
|---------|----------------|------------------|-----------------|
| Albania | Partly Free    | 3                | 3               |

*Source:* Freedom House, “Freedom in the World 2014: Albania,” <http://www.freedomhouse.org/sites/default/files/Freedom%20in%20the%20World%202014%20Booklet.pdf> (accessed March 13, 2014).

Freedom House rates Albania as “partly free” for political rights and civil liberties, scoring 3 in both areas.<sup>128</sup>

Progress toward Democracy: The assessment of progress toward democracy is developed by Freedom House and provides evaluation scores for democratization and the rule of law. Based on the results obtained, Freedom House assesses the countries as consolidated democracies, transitional governments, and consolidated autocracies. The Freedom House in its yearly report on *Nations in Transit*,<sup>129</sup> best describes the setbacks and progress in the Albanian democratization process. See table 3.

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<sup>128</sup>Freedom in the World 2014 evaluates the state of freedom in 195 countries and 14 territories during 2013. Each country and territory is assigned two numerical ratings—from 1 to 7—for political rights and civil liberties, with 1 representing the most free and 7 the least free. Freedom House, “Freedom in the World 2014.”

<sup>129</sup>Freedom House Nations in Transit reports measure progress and setbacks in democratization in 29 countries and territories from Central Europe to the Eurasian region of the Former Soviet Union. It builds its conclusions and provides a so-called “democratic score” based on the assessment of progress in the following key areas for a democratic society: electoral processes, civil society, independent media, governance/national democratic governance, local governance (separately, from 2005), judicial framework and independence, and corruption.

Table 3. Freedom House Nations in Transit and Averages Scores–Albania

| Nations in Transit Rating and Averaged Score |      |      |      |      |      |      |      |      |      |      |
|----------------------------------------------|------|------|------|------|------|------|------|------|------|------|
|                                              | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Electoral Process                            | 3.75 | 3.75 | 3.50 | 4.00 | 4.00 | 3.75 | 3.75 | 4.00 | 4.25 | 4.25 |
| Civil Society                                | 3.50 | 3.25 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Independent Media                            | 3.75 | 4.00 | 3.75 | 3.75 | 3.75 | 3.75 | 4.00 | 4.00 | 4.00 | 4.00 |
| National Democratic Governance               | n/a  | 4.25 | 4.00 | 4.25 | 4.25 | 4.25 | 4.50 | 4.75 | 4.75 | 5.00 |
| Local Democratic Governance                  | n/a  | 3.25 | 2.75 | 2.75 | 2.75 | 2.75 | 3.00 | 3.25 | 3.25 | 3.50 |
| Judicial Framework and Independence          | 4.25 | 4.50 | 4.25 | 4.00 | 4.00 | 4.25 | 4.25 | 4.25 | 4.75 | 4.75 |
| Corruption                                   | 5.25 | 5.25 | 5.25 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.25 |
| Democracy Score                              | 4.13 | 4.04 | 3.79 | 3.82 | 3.82 | 3.82 | 3.93 | 4.04 | 4.14 | 4.25 |

Source: Freedom House, “Nations in Transit 2013: Albania,” [http://www.freedomhouse.org/report/nations-transit/2013/albania#.U1mQGaKF\\_Og](http://www.freedomhouse.org/report/nations-transit/2013/albania#.U1mQGaKF_Og) (accessed April 24, 2014).

NOTE: The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The democracy score is an average of ratings for the categories tracked in a given year.

Table 3 shows that based on the ‘Democracy Score’ until 2005 the country was listed under the category of transitional government or hybrid regime while from 2006 to 2010 its performance moved towards a Semi-consolidated Democracy, and then from

2011 to 2013 it has drawn back to a transitional government or hybrid regime.<sup>130</sup> This shows that from 2004 to 2009 there is an increasingly strengthened tendency to move forward with democratization efforts. This positive tendency reversed after 2010 and in 2013 fell below the scores of 2004. However, the downward pace and the setbacks do not present enough evidence to think that this tendency will continue. Taking in consideration the positive report on the conduct of the elections in Albania in 2013 and the smooth transition of power between the parties, as well as the consolidation of the role of civil society, media and private sector, Albania will likely not experience major setbacks. This is mainly due to the EU accession criteria as well as a growing capacity of internal pressure on governmental actions in case they fail to comply with democratic principles.<sup>131</sup>

A year later after the fall of communism (March 1992) Albania held the first truly democratic elections with the Democratic Party as the winner. Since then, the elections process has made improvements but has never qualified as completely free and fair.<sup>132</sup> However, after continuous calls from the international community and the European Commission, which made it clear, that Albania's EU integration will proceed only if the

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<sup>130</sup>Based on the Democracy Score and its scale of 1 to 7, Freedom House has defined the following regime types: consolidated democracy (1–2), semi-consolidated democracy (3), transitional government/hybrid regime (4), semi-consolidated authoritarian regime (5), and consolidated authoritarian regime (6–7). Freedom House, “Nations in Transit 2013 Report: Albania,” <http://www.freedomhouse.org/report/nations-transit-2013/nations-transit-2013-methodology#.UzDPrawVvIU> (accessed March 24, 2014).

<sup>131</sup>Freedom House, “Nations in Transit 2013 Report: Albania,” [http://www.freedomhouse.org/report/nations-transit/2013/albania#.U1mQGaKF\\_Og](http://www.freedomhouse.org/report/nations-transit/2013/albania#.U1mQGaKF_Og) (accessed April 24, 2014).

<sup>132</sup>Bogdani and Loughlin, 41.

country shows that it can conduct free and fair elections, the elections in June 2013, significantly improved. The EU Commission 2013 Progress Report on Albania notes, “Overall, the elections marked tangible progress with respect to previous practice, therefore meeting the key priority on the conduct of elections.”<sup>133</sup>

The civil society components are nongovernmental organizations, the development of free trade unions, and interest group participation in the policy process. The civil society sector in Albania has shown weakness in some areas especially in organizational capacity, internal democratic governance, public trust, and influence in policymaking. In addition, CSO remain fragmented and influenced politically by the major parties. Nevertheless, according to the Freedom House, *Nations in Transit 2013* report on Albania “there were some signs of rise in civic activism during 2012, particularly on the rights of former political prisoners, the improvement of working conditions for miners and waste import policies.”<sup>134</sup> The EU through the Instrument for Pre-accession assistance (IPA) Civil Society Facility and through the European Instrument for Democracy and Human Rights, during the years 2011-2012, has given significant financial support to the improvement of Civil Society.<sup>135</sup> With this assistance, the EU has as an objective to include “wider involvement by civil society in decision-making, strengthening of CSO management and organizational capacity and

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<sup>133</sup>European Commission, *2013 Progress Report, Albania*, 5.

<sup>134</sup>Freedom House, “Nations in Transit 2013: Albania,” [http://www.freedomhouse.org/report/nations-transit/2013/albania#.U1mQGaKF\\_Og](http://www.freedomhouse.org/report/nations-transit/2013/albania#.U1mQGaKF_Og) (accessed April 24, 2014).

<sup>135</sup>European Commission, *2012 Progress Report, Albania*, 5.

improvement of their legal and fiscal framework.”<sup>136</sup> The increased interaction with the EU has resulted in increased participation from non-political actors, as well as civil society and business players in the decision-making process in the country, thus making the effort of Albania to meet the political accession criteria more effective.

For assessing the level of democratization with respect to governance and public administration the indicators are; authority of legislative bodies, decentralization of power, management of local government bodies, and legislative and executive transparency. According to Freedom House report 2013 on Albania, consolidation of power by the Prime Minister and the majority party followed the political and institutional conflicts of 2011. This followed removing opposition officials from key positions and replacing them with their own appointees.<sup>137</sup> However, the Albanian government has continued to support EU integration and political reform efforts. In addition, it has implemented the revised action plan to address what in the EU Commission’s opinion are key priorities. The EU Commission 2013 Progress Report notes that the key priorities for the new government should be strengthening strategic planning and budgeting as well as improving coordination at the central and local level. Furthermore, the report stresses that “EU-related reforms, monitoring of implementation, follow-up, and corrective action needs to be intensified.”<sup>138</sup> The MEI has strengthened the role as a key coordinator for EU affairs with other ministry lines.

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<sup>136</sup>Ibid.

<sup>137</sup>See, Freedom House web site, <http://www.freedomhouse.org/sites/default/files/Freedom%20in%20the%20World%202014%20Booklet.pdf> (accessed March 13, 2014).

<sup>138</sup>European Commission, *2013 Progress Report, Albania*, 7.

The politicization of the public administration institutions has been an issue for Albania during the long transition period. A well-known phenomenon in Albanian public life is that every political party that comes to power replaces previous employees with its own loyal supporters. Those movements in most cases are politically motivated, rather than changing someone because another more professional employee will replace him.<sup>139</sup> However, with the adoption in May 2013 (which entered into force in October 2013) of the Civil Service Law, Albania made a major step toward de-politicizing public administration. This law is essential for building a professional, effective, and merit-based public administration.<sup>140</sup> The EU Commission 2013 Progress Report notes, “Overall progress has been made in public administration reform and a major step taken on this key priority with the adoption of the Civil Service Law.”<sup>141</sup> Implementing this law will be the next challenge for the country.

Beside the efforts of Albania to meet the required criteria which is noticed by adopting the Civil Service Law, further efforts are required from the EU commission in order to “enforce merit-based practice, enhance independent institutions, depoliticizing public administration, ensuring continuity, fighting corruption, strengthen meritocracy in appointments, promotions and dismissals; and increase its efficiency and financial sustainability.”<sup>142</sup>

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<sup>139</sup>Bogdani and Loughlin, 47.

<sup>140</sup>European Commission, *2013 Progress Report, Albania*, 7.

<sup>141</sup>*Ibid.*, 8.

<sup>142</sup>*Ibid.*

The independent media components compose the state freedom of press, editorial independence, the emergence of a financially viable private press, and internet access for private citizens. In most democratic countries, the media is considered the fourth power of the state--in addition to the other three branches of the legislature, the executive, and the judiciary. Today in a changing world, where access to information increases daily, the written or electronic media has an important role in informing the public of important affairs, in providing information on which readers form opinions, and in affecting people's attitudes. As mentioned previously in analyzing the social life during the communist regime, the media was used as a propaganda tool in the hands of the APL to manipulate people. After the fall of communism and during the first decade of the transition period, media development emerged as a necessity to have an opposition voice and has played a significant role in the democratization process of the country. Today, freedom of expression is legally guaranteed and freely exercised in the country. In March 2013, Albania adopted the Law on Audiovisual Media, improving the legislative framework for audiovisual media in the country.<sup>143</sup>

The improvements relate to the internal political desire for freedom, as well as the efforts to meet the required EU accession criteria of democratization. However, Freedom House in its report points out "the media sector lacks both a clear legal framework and self-regulatory mechanisms."<sup>144</sup>

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<sup>143</sup>European Commission, *2013 Progress Report, Albania*, 10.

<sup>144</sup>See Freedom House web site, <http://www.freedomhouse.org/sites/default/files/Freedom%20in%20the%20World%202014%20Booklet.pdf> (accessed March 13, 2014).

### The rule of law

The rule of law is a fundamental value of the EU, and a pre-condition to improving the socio-economic context of the candidate countries. The rule of law stems from the evaluation of constitutional, legislative, and judicial frameworks and level of corruption.

The judicial system in Albania has undergone deep transformation and reform since the fall of communism, in order to adapt to a democratic system, and the country has made some progress toward improving the organization and functioning of it. In the efforts to meet one of the primary political conditions, Albania implemented the judicial reform strategy during 2011-2013, in accordance with the recommendations of the EU commission opinion on Albania's application for EU membership in 2009. This strategy includes the Law on the High Court and amendments to the Criminal Code, as well as adapting the Civil Code and the Code of Civil Procedure.<sup>145</sup> However, the Freedom House report for nations in transit 2013 notes, "while Albanian constitution provides the foundation for an independent judicial system, it has demonstrated chronic weaknesses resulting from political polarization and pressures, decreasing financial support, and the persistence of corruption."<sup>146</sup> The EU Commission 2013 Progress Report expresses the same concerns as those of Freedom House report. Again, implementing the judicial reform strategy remains another challenge for the country in order to adopt a democratic system, with an independent judiciary, and to promote transparency and efficiency.

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<sup>145</sup>European Commission, *2013 Progress Report, Albania*, 9.

<sup>146</sup>*Ibid.*

Even though the Albanian government has implemented a new anti-corruption strategy, and continuously has stressed the struggle against corruption as a key EU partnership policy, corruption continues to be widespread in many sectors in Albania, affecting the country's development and democratization. The anticorruption efforts taken so far have not showed significant results, and after the slight improvements in 2012, there was a regression in 2013. Albania's ranking in Transparency International's Corruption Perception Index for 2013 fell from 113 to 116, the lowest rating in Europe and far below other countries in the region.<sup>147</sup> The EU considers fighting corruption a key priority for Albania's integration and this negative record on corruption may hinder the efforts to meet the criteria if measures to reduce it are not taken by the Albanian government.<sup>148</sup> Implementation of the Civil Service Law may have a positive impact on the reduction of corruption.

### Economic integration

Using the methodology outlined in chapter 3, this section presents evidence that suggests Albania is achieving increased economic integration with the EU. Bilateral agreements and annual progress reports issued by the EU indicate that Albania is adopting economic measures aimed at approaching the EU standards. The analysis also

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<sup>147</sup>Transparency International, *2013 Corruption Perception Index* (Berlin: Transparency International, 2013), <http://cpi.transparency.org/cpi2013/> (accessed March 14, 2014). A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 - 100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean. A country's rank indicates its position relative to the other countries and territories included in the index. For the year 2013, the index includes 177 countries and territories.

<sup>148</sup>European Commission, *2013 Progress Report, Albania*, 9.

suggests that the efforts to meet the economic accession criteria are best characterized as a joint effort between the EU and Albania. In addition, the evidence suggests that the mechanisms of conditionality and externalization appropriately describe Albania's path to Europeanize and that its efforts follow a logic of consequences approach. Furthermore, analysis suggests that the Albanian leadership has consistently expressed a desire for increased European integration, with the majority of the Albanian citizens (the highest percentage in the adhering countries) wishing for full membership, and that the EU continues to view Albania as a potential member in the near future.

The main indicator of economic development for meeting the economic criteria for EU accession is the EU Commission annual Progress Report and the EU Commission Occasional Paper. The commission evaluates 'potential candidate'<sup>149</sup> countries progress achieved toward compliance with the Copenhagen Criteria, which require (1) existence of a functioning market economy and (2) capacity to cope with competitive pressure in the EU.

The existence of a functioning market economy: The Commission examines progress achieved during each year based on a number of sub-criteria. According to these sub-criteria, the existence of a functioning market economy requires:

1. Equilibrium between demand and supply is established by the free interplay of market forces; prices, as well as trade, are liberalized.
2. Significant barriers to market entry (establishment of new firms) and exit (bankruptcies) are absent.

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<sup>149</sup>The Progress Report's conclusions for candidate countries on the one hand and potential candidate countries on the other hand, differ from each other. In the case of candidate countries the conclusions summarize the state of compliance with the Copenhagen economic criteria (= level of compliance), while in the case of the potential candidate countries (Albania, Bosnia and Herzegovina, Kosovo) they rather refer to the progress achieved towards compliance.

3. The legal system, including the regulation of property rights, is in place; laws and contracts can be enforced.
4. Macroeconomic stability has been achieved including adequate price stability and sustainable public finances and external accounts.
5. Broad consensus exists about the essentials of economic policy.
6. The financial sector is sufficiently well developed to channel savings towards productive investment.<sup>150</sup>

The capacity to cope with competitive pressure and market forces within the Union. As for this second economic criteria, the Commission measures progress using the following factors:

1. The existence of a functioning market economy, with a sufficient degree of macroeconomic stability for economic agents to make decisions in a climate of stability and predictability.
2. A sufficient amount, at appropriate costs, of human and physical capital, including infrastructure, education and research, and future developments in this field.
3. The extent to which government policy and legislation influence competitiveness through trade policy, competition policy, state aids, support for SMEs, etc...
4. The degree and the pace of trade integration a country achieves with the Union before enlargement. This applies both to the volume and the nature of goods already traded with Member States.
5. The proportion of small firms, partly because small firms tend to benefit more from improved market access, and partly because a dominance of large firms could indicate a greater reluctance to adjust.<sup>151</sup>

In the spite of political and economic crises and the turmoil of 1991-1992 events in the country, the Albanian government made the first step to start transforming the centralized state and economy that had isolated the country for more than four decades, into a market-oriented economy. One of the first laws approved in 1991 by the President,

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<sup>150</sup>European Commission, Occasional Papers 122, *Progress towards meeting the economic criteria for EU accession: The EU Commission's 2012 assessments* (Brussels: European Commission, December 2012), [http://ec.europa.eu/economy\\_finance/publications/occasional\\_paper/2012/pdf/ocp122\\_en.pdf](http://ec.europa.eu/economy_finance/publications/occasional_paper/2012/pdf/ocp122_en.pdf) (accessed April 20, 2014), 2.

<sup>151</sup>*Ibid.*

was the creation of banks with the participation of foreign capital and the opening of foreign bank branches in the country.<sup>152</sup> In addition, in April 1991, the President approved another decree for the protection of the property and private investment in the country.

However, the first pluralist elections of 1992 initiated the first economic relation of Albania with the EU. The European Community prepared an emergency plan of support for Albania and soon after that, the country became eligible for funding under the PHARE program.<sup>153</sup> The contractual relations between Albania and the EU were established in December 1992, through the signing and the entry into force of the “Agreement between the European Economic Community and the Republic of Albania, on trade and commercial and economic cooperation.”<sup>154</sup> This agreement aimed at facilitating and promoting economic relations and cooperation between the parties

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<sup>152</sup>Dekret Nr 7447 Datë 05-01-1991-Presidenti “Për krijimin e bankave me pjesëmarrjen e kapitalit të huaj dhe për çeljen e degëve ose të zyrave të përfaqësimit të bankave të huaja në Republikën Popullore Socialiste të Shqipërisë.” (President Law No 7447, Date January 05, 1991, for the creation of the banks with the participation of foreign capital and for opening of the foreign bank branches in the Peoples Socialist Republic of Albania), See, [http://qbz.gov.al:81/results.jsp?&EQ\\_DocumentMeta/Institucioni=Presidenti&EQ\\_DocumentMeta/Lloji\\_i\\_aktit=Dekret&sort=DocumentMeta/Numri\\_i\\_fletores](http://qbz.gov.al:81/results.jsp?&EQ_DocumentMeta/Institucioni=Presidenti&EQ_DocumentMeta/Lloji_i_aktit=Dekret&sort=DocumentMeta/Numri_i_fletores) (accessed April 27, 2014).

<sup>153</sup>The PHARE program was set up by the European Community in 1989 following the collapse of the communist regimes in Central and Eastern Europe. The acronym “Phare” is derived from the French “*Pologne/Hongrie: Assistance à la Restructuration Economique*” [Poland/Hungary: Assistance to the Economic Reconstruction]. The program aimed at helping the recipient countries transform their economies, strengthen democracy, and meet the conditions required for future membership of the EU.

<sup>154</sup>European Union, Treaties office database, <http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData.do?step=0&redirect=true&treatyId=125> (accessed April 24, 2014).

involved by granting the most-favored-nation treatment and implementing other advantageous measures in order to help Albania to restructure its economy. In addition, in September 2000 Albania profited from the EU autonomous trade preferences under which export products obtained duty-free access to the EU market for all industrial products and improved access for agricultural products as well as fishery products.<sup>155</sup> In 2013, the EU was Albania's main commercial partner, with 62 percent of Albania's total imports and around 75 percent of the total export. Italy and Greece are the top two trade partners.<sup>156</sup>

Furthermore, the SAP (introduced after the Kosovo conflict in 1999) further encouraged the country to consolidate progress in meeting economic and political criteria, as well as to develop other sectorial policies that would give positive impulse to foreign investments and achieve economic development. The EU financial assistance programs of CARDS (Community Assistance for Reconstruction, Development, and Stabilization),<sup>157</sup> and IPA (Instrument for Pre-accession Assistance),<sup>158</sup> have been part of this Stabilization process in order to assist Albania's efforts to meet the EU accession

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<sup>155</sup>EU Commission, Enlargement, [http://ec.europa.eu/enlargement/potential-candidate-countries/albania/eu\\_albania\\_relations\\_en.htm](http://ec.europa.eu/enlargement/potential-candidate-countries/albania/eu_albania_relations_en.htm) (accessed April 26, 2014).

<sup>156</sup>European Commission, *2013 Progress Report, Albania*, 18.

<sup>157</sup>The CARDS program intended to provide Community assistance to the countries of South-Eastern Europe participating in the stabilization and association process with the European Union for the period 2001-2007.

<sup>158</sup>The Instrument for Pre-Accession Assistance offered assistance to countries engaged in the accession process to the EU for the period 2007-2013. It aimed to enhance the efficiency and coherence of aid by means of a single framework in order to strengthen institutional capacity, cross-border cooperation, economic and social development, and rural development. Is a program in the framework of the Stabilization and Association process of the Western Balkan countries.

criteria. Albania takes part in two IPA components (I-Transition Assistance and Institution Building; II- Cross-border Cooperation.)<sup>159</sup> The SAA between the EU and Albania entered into force in April 2009 (superseding the Interim Agreement on trade and trade-related aspects, which entered into force in December 2006). This is a contractual relationship showing the commitment from both parties “to contribute by all means to the political, economic, and institutional stabilization in Albania.”<sup>160</sup> The EU Commission Opinion on Albania’s application for EU membership notes that “Albania has, overall, smoothly implemented obligations under the Stabilization and Association Agreement including its trade-related provisions.”<sup>161</sup>

The EU Commission 2013 Progress Report, analyses that in the period 2007-13, the EU allocated a total of approximately €594 million for Albania. This includes €81 million in 2012 and €82 million in 2013, as part of national programs for Transition Assistance and Institution Building (IPA component I). The 2011-13 assistance had as its focus “justice and home affairs; public administration reform; transport; environment and climate change; social development; and agriculture and rural development.”<sup>162</sup> Albania

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<sup>159</sup>The IPA consists of five components: (I) Transition Assistance and Institution Building, (II) Cross-Border Cooperation, (III) Regional Development, (IV) Human Resources Development, and (V) Rural Development. Only candidate countries can benefit from all five components of the IPA program while potential candidate countries (such as Albania) benefit from the first two components only.

<sup>160</sup>Council of the European Union. *Stabilization and Association Agreement: between the European Communities and their Member States, of the one part, and the Republic of Albania, of the other part* (Brussels: European Commission, May 22, 2006), [http://ec.europa.eu/enlargement/pdf/albania/st08164.06\\_en.pdf](http://ec.europa.eu/enlargement/pdf/albania/st08164.06_en.pdf) (accessed April 29, 2014), 4.

<sup>161</sup>European Commission, *Opinion on Albania*, 4.

<sup>162</sup>European Commission, *2013 Progress Report, Albania*, 4.

and the EU Commission have agreed to discuss future assistance under the IPA program for the period 2014-2020. In addition, Albania has made good progress to foster the regional trade integration and enhanced economic cooperation with its neighbor countries by profiting from Cross-Border Cooperation assistance (IPA component II). It takes part in the management and implementation of three programs with Montenegro, FYROM, and Kosovo. Moreover, Albania participates in one bilateral cross-border cooperation program with Greece; and three multilateral and transnational programs such as South-East Europe and Mediterranean and the Adriatic regional programs.<sup>163</sup> In October 2005, Albania signed the ECT (entered into force on July 2006) and became a full member of the Energy Community of South East Europe. It also signed the ECAAA agreement in June 2006.

### Economic freedom

Another measurement tool to assess economic development, will analyze two numerical measures of economic freedom. The first one was developed by the Fraser Institute's index (*Economic Freedom of the World*), and the second by The Heritage Foundation and *The Wall Street Journal's Index of Economic Freedom*. The Fraser Institute and the Heritage Foundation *Index of Economic Freedom* are based on measures and indicators grouped into areas of economic freedom.

The Fraser Institute measured 42 variables that fall into five categories, which are:

1. Size of government expenditures, taxes, and enterprises
2. Legal structure and security of property rights
3. Sound money

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<sup>163</sup>Ibid.

4. Freedom to trade with foreigners
5. Regulation of credit, labor, and business.

The overall score for every country is awarded based on the average of each of these five areas. Scores range from 0 to 10 with 10 representing the country with the freest economy.<sup>164</sup>

Table 4. Economic Freedom of the World–2013 Annual Report–Albania

|                                          | 1990            | 1995            | 2000            | 2005            | 2010            | 2011            |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Chain-Linked                             | Rating/<br>Rank | Rating/<br>Rank | Rating/<br>Rank | Rating/<br>Rank | Rating/<br>Rank | Rating/<br>Rank |
| Area 1. Size of Government               | 3.51<br>(102)   | 6.54<br>(40)    | 7.63 (18)       | 8.89 (4)        | 8.89 (3)        | 9.13 (2)        |
| Area 2. Legal System and Property Rights | 5.21<br>(58)    | 4.85<br>(89)    | 4.77 (84)       | 5.22 (76)       | 5.82 (64)       | 5.40 (74)       |
| Area 3. Sound Money                      | 4.90<br>(91)    | 3.26<br>(105)   | 7.40 (71)       | 9.64 (9)        | 9.73 (3)        | 9.78 (2)        |
| Area 4. Freedom to Trade Internationally | -               | 6.24<br>(72)    | 5.88 (89)       | 6.29 (85)       | 7.20 (58)       | 7.07 (65)       |
| Area 5. Regulation                       | 2.62<br>(112)   | 4.57<br>(103)   | 5.47<br>(101)   | 5.69 (101)      | 5.89<br>(106)   | 5.82<br>(107)   |
| Summary Rating World Rank                | 4.37<br>(97)    | 5.07<br>(97)    | 6.23 (77)       | 7.12 (53)       | 7.49 (33)       | 7.42 (38)       |

Source: James Gwartney, Robert Lawson, and Joshua Hall, *Economic Freedom of the World, 2013 Annual Report* (Vancouver, BC: Fraser Institute, 2013).

The Fraser Institute, 2011 Economic Freedom World Ranking, Albania's economic freedom score is 7.42 and ranked as the 38th freest economy in the World. From 97th place in 1990, Albania has moved to the 38th place in 2011, having the

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<sup>164</sup>James Gwartney, Robert Lawson, and Joshua Hall, *Economic Freedom of the World, 2013 Annual Report* (Vancouver, BC: Fraser Institute, 2013), v.

biggest improvement in the areas of size of government (ranked 2nd) and sound money (ranked 2nd). The size of government area includes the components of government consumption, transfers and subsidies, government enterprises and top marginal tax rate, while sound money area includes the components of money growth, inflation, and freedom to own foreign currency bank account. Other areas also show positive progress year by year.

Another rating company that analyzes the economic freedom is the Heritage Foundation and *The Wall Street Journal's Index of Economic Freedom*. This company addresses 10 categories of economic factors. The categories are as follows:

1. Trade policy
2. Fiscal burden of government
3. Government intervention in the economy
4. Monetary policy
5. Capital flows and foreign investment
6. Banking and finance
7. Wages and prices
8. Property rights
9. Regulation
10. Black market activity

The overall score is based on the scores obtained for each of the ten areas. Table 5, displays the ratings provided by the Heritage Foundation *The Wall Street Journal* index for Albania. The Heritage index rates countries on a scale from 0 to 100, with 100 representing the most economic freedom.

Table 5. 2014 Index of Economic Freedom–World Rankings–Albania

| World Rank 2014 | Overall score | Change from 2013 | Property Rights | Freedom from corruption | Fiscal Freedom | Government Spending | Business Freedom | Labor Freedom | Monetary Freedom | Trade Freedom | Investment Freedom | Financial Freedom |
|-----------------|---------------|------------------|-----------------|-------------------------|----------------|---------------------|------------------|---------------|------------------|---------------|--------------------|-------------------|
| 54              | 66.9          | 1.7              | 30              | 30.4                    | 92.7           | 75.6                | 78.1             | 49.7          | 80.0             | 87.5          | 75                 | 70                |

Source: The Heritage Foundation. “2014 Index of Economic Freedom, Albania,” <http://www.heritage.org/index/> (accessed March 24, 2014).

In the Heritage Foundation, 2014 Economic Freedom Ranking, Albania’s economic freedom score is 66.9, and ranked as the 54th freest economy in the world. Since 1995 when this institute published its first report, Albania’s score has risen from 49.7 to 66.9 in 2014, with a +17.2 point change, making it in the top 20 most improved in the World. The overall score in 2014 has increased by an additional 1.7 points from 2013, showing significant improvements in investment and trade freedom. With the significant increased score in eight out of 10 categories, Albania has moved from a ‘repressed’ economy in 1995, to a ‘moderately free’ economy in 2014.<sup>165</sup> Since the fall of communism, in order to leave behind the negative effects of the centralized economy, and later on to comply with the EU economic criteria, the Albanian government has implemented economic reforms, which include trade liberalization, privatization, and a

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<sup>165</sup>The Heritage Foundation. “2014 Index of Economic Freedom, Albania,” <http://www.heritage.org/index/> (accessed March 24, 2014), 93.

flat tax rate. In addition, low inflation and monetary stability have been a positive aspect of the achievements of the country.<sup>166</sup> However, further efforts are required to fight corruption and increase judicial independence, to ensure further economic freedom in the country.

### Adapting the EU legislation

This section of the chapter analyses the approximation of Albanian domestic legislation with the EU Laws, which requires the country to demonstrate its ability to take on the obligations of membership including adherence to the aims of political, economic, and monetary union. It includes the whole range of policies and measures that constitute the *acquis communautaire* of the Union. The analysis indicates that the harmonization process of domestic legislation with the EU legislation represents one of the major challenges of adhering countries for EU membership. According to the EU Commission Progress Reports, Albania has made some progress enhancing the administrative capacity through appropriate administrative and judicial structures to transpose the European Community legislation into its' national legislation. However, even though Albania has developed a new legal framework, implementing and enforcing it remains a challenge for the country. The evidence suggests that the mechanisms of conditionality and externalization appropriately describe Albania's path to Europeanize its legal system and that its efforts follow a logic of consequences approach.

The *acquis communautaire*, which is the body of the laws and regulations developed by the EU, is composed of 33 chapters, which the applicant country has to

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<sup>166</sup>Ibid.

implement in order to bring its institutions, management capacity, and administrative and judicial system to the standards of the EU.<sup>167</sup> A three-phase process of adopting, implementing and enforcing the *acquis*, is required for the country to meet the EU standards. In this context, firstly Albania has to ensure the approximation of its legislation to the EU laws, and secondly to apply them effectively. In addition, as a pre-condition, Albania has to translate the EU legislation composed of approximately 125,000 pages, into the Albanian language. Beside technical approximation of domestic legislation, Albania has to study the relationship between international law and domestic law in order to harmonize the EU law and Albanian law.<sup>168</sup> Adapting the laws is the initial step--implementation is the key to success. In order to do that, the country must have a certain degree of socio-economic development and good performance of its democratic institutions.<sup>169</sup>

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<sup>167</sup>The *acquis communautaire* chapters are: Free movement of goods; Freedom of movement for workers; Right of establishment and freedom to provide services; Free movement of capital; Public procurement, Company law; Intellectual property law; Competition policy; Financial services; Information society and media; Agriculture and rural development; Food safety; Fisheries; Transport policy; Energy; Taxation; Economic and monetary policy; Statistics; Social policy and employment; Enterprise and industrial policy; Trans-European networks; Regional policy and coordination of structural instruments; Judiciary and fundamental rights; Justice; freedom and security; Science and research; Education and culture; Environment and climate change; Consumer and health protection; Customs union; External relations; Foreign, security and defense policy; Financial control; Financial and budgetary provisions

<sup>168</sup>Jordan Daci, "The European integration of the Albanian legal system," ICBS, 2008, <http://ces.epoka.edu.al/icbs/2.pdf> (accessed April 29, 2014).

<sup>169</sup>Gjergji Vurmo, "Relations of Albania with the EU," June 2008, [http://idmalbania.org/sites/default/files/publications/albania\\_eu\\_relations\\_vurmo.pdf](http://idmalbania.org/sites/default/files/publications/albania_eu_relations_vurmo.pdf) (accessed May 5, 2014), 41.

The approximation of EU law did not start until 1999, when the Albanian Government established the Directorate for Approximation of Albanian Legislation with the *acquis communautaire*, in the Ministry of State for Legislative and Institutional Reform. The directorate in 2000 moved to the Ministry of Justice and in 2001 to the Ministry of European Integration (MEI).<sup>170</sup> With the introduction in 2000, of the Stabilization and Association process (SAP) for the Western Balkans, in its reports, beside the economic and political criteria, the EU started to evaluate the approximation of the EU legislation as well. The 2004 SAP clearly stated, “The problem in Albania is not the absence of strategies and legislation, but rather deficiencies in their implementation and enforcement.”<sup>171</sup>

In fact, Albania did not have any obligations from the EU to approximate its legislation, until the signing of the SAA in 2006. The 1992 Agreement between Albania and the European Community focused more on economic cooperation and trade related issues.<sup>172</sup> With the signing of the SAA, the EU included Albania in the Technical Assistance Information Exchange Office assistance program, aiming to give technical assistance to adapt and implement the legislation.<sup>173</sup> In conjunction with the EU technical

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<sup>170</sup>Bogdani and Loughlin, 57.

<sup>171</sup>Vurmo, 44.

<sup>172</sup>Ibid., 42.

<sup>173</sup>European Commission-TAIEX: “TAIEX is the Technical Assistance and Information Exchange instrument managed by the Directorate-General Enlargement of the European Commission. TAIEX supports partner countries with regard to the approximation, application, and enforcement of EU legislation. It is largely demand driven and facilitates the delivery of appropriate tailor-made expertise to address issues at short notice.”

assistance, the Albanian government completed the National Program for the Approximation of Legislation (NPAL).<sup>174</sup> The program covered a 10 year period divided in short (2005-2006), medium (2007-2008) and long-term priorities (2009-2014). However, meeting the near term deadlines set by the NPAL was the main problem for the government. Even when the objectives of the NPAL for adopting the legal framework in line with EU *acquis* were met, implementation of the new legislation makes the process not very effective.<sup>175</sup> The signing of the SAA in 2006, initiated the National Plan for the Implementation of the SAA, which beside the measures for fulfilling the economic and political criteria, reinforced the measures related to the approximation of legislation. In 2012, the government updated the National Plan for the period 2012-15. The key actor in this plan is the MEI, which examines the compliance of the draft legislation prepared by the line ministries, in order to make sure they align with the EU legislation.

The progress reports show that during 2012-13, the process has moved in a positive way and Albania has adopted numerous EU legislations or amended the existing ones in order to approximate the country legislation with that of EU and meet the required accession criteria. The EU Commission Opinion on Albania's application for EU membership, acknowledged the significant effort made by the country in aligning its legislation with the EU *acquis*, especially in some areas of the internal market, trade-related provisions, customs, and taxation. However, again the opinion realizes that the

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<sup>174</sup>Ibid.

<sup>175</sup>Vurmo, 45.

country faces major challenges in implementing and enforcing legislation.<sup>176</sup> In addition, the EU Commission 2013 Progress Report notes:

Albania has made moderate progress in improving its ability to assume the obligations of membership by approximating its legislation and standards to the EU, in particular in the areas of public procurement, statistics, justice, freedom and security, and customs union. However, increased efforts are needed, as progress has been limited in other areas such as intellectual property law, taxation, energy, environment, and climate change. Sustained efforts are needed to strengthen administrative capacity for the implementation and enforcement of legislation and to improve transparency and accountability.<sup>177</sup>

Overall, the reports show that Albania's efforts to bring its institutions, management capacity, administrative and judicial system in line with the standards for EU integration has had a positive impact in the development of the country since the fall of communism. Implementing, and enforcing the laws needs some more effort. A good example to demonstrate the changes of Albania in the 1990s with Albania of 2013 would be the positive effects of the adoption of the amendments that the country made to the Law on Foreigners in order to facilitate the EU citizens working in the Albanian labor market. After the fall of communism and during the transition period, while Albanians migrated massively toward the EU countries seeking a better life, EU citizens did not find an interesting and friendly working place in Albania. In addition to this law, Albania has created an "e-portal including databases of job-seekers and employers registered in the 12

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<sup>176</sup>European Commission, *Opinion on Albania*, 8.

<sup>177</sup>European Commission, "Key findings of the 2013 Progress Report on Albania," October 16, 2013, [http://europa.eu/rapid/press-release\\_MEMO-13-888\\_en.htm](http://europa.eu/rapid/press-release_MEMO-13-888_en.htm) (accessed April 29, 2014).

regional and the 24 local employment offices is a progress with a view to future participation in the European Employment Services network.”<sup>178</sup>

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<sup>178</sup>European Commission, *2013 Progress Report, Albania*, 19-20.

## CHAPTER 5

### CONCLUSIONS

The purpose of this study was to compare Albania in 1990 to Albania of 2013, and analyze how the efforts to meet the EU accession criteria have affected Albania. The findings of the study suggest that adaption to EU accession criteria significantly affected Albania socially, economically and politically. This chapter will summarize and interpret the results of the analysis of the EU integration of Albania and determine the main challenges that the country faces in the efforts towards joining the EU.

In order to provide a better understanding of Albania's current situation, the research process started with analysis of the reasons for which Albania applied for EU membership. The findings show that even though Albania was 'detached' from the West for five centuries under the Ottoman Empire, and for 45 years under communist rule, Albanians consider themselves European, geographically, historically and culturally. In addition, Albania applied for EU membership based on its own recognized need to overcome the legacy of its communist past and embrace the democratic values promoted by Euro-Atlantic organizations. Other relevant issues such as the emerging threats because of the newly created security environment within Eastern Europe and the Balkans after the end of the Cold War had a direct impact on Albania's desire to join Euro-Atlantic organizations.

Since the fall of communism in the early 1990s, Albania committed itself to integration in the Euro – Atlantic organizations. The Signing of the SAA with the EU in 2006, cemented the prospect of EU integration for Albania, and served as a turning point in the political sphere of the country necessary to make the required reforms for the

democratization process. Financial support as well as technical assistance from the EU with PHARE, CARDS and IPA programs, has been the ‘stick’ and ‘carrot’ to foster Albanian commitment to the EU. The achievements of Albania’s efforts to integrate with the EU is obvious from the annual progress reports citing Albania’s progress in reforming its institutions, liberalizing the economy and approximating its legislation to that of the EU’s *acquis communautaire*. Conditionality and externalization best characterize Albania’s efforts to integrate its economic structures as well as to align its legislation with that of EU. In addition, by adopting the necessary reforms in compliance with the provisions of the SAA, Albania followed the logic of consequences model.

Albania has been generally successful in providing civil liberties since the fall of communism, to comply with the EU conditions for promoting human rights and the protection of minorities. However, Albania has to put more efforts toward improving the living conditions and education of Roma people. Albania must also find a solution to the lack of clarity over property rights in general.

As part of the SAP, Albania worked to establish harmonious and constructive political, economic and security relationships with its neighbors and with the EU member states. Acting in cooperative manner rather than confrontationally drove the Albanian desire to integrate into the Euro-Atlantic organizations, and be the vanguard in promoting a peaceful environment in the region.

The political discourse between the ruling majority and opposition after the contested parliamentary elections of 2009 has slowed the political democratization process of the country. However, the agreement signed in 2011, between the parties aimed the fulfillment of twelve key priorities set forth in the EU Commission Opinion on

Albania in 2010. The focus of the agreement was to carry out electoral reform, improving the parliament's rules of procedure, and adopting all pending laws requiring reinforced majority.<sup>179</sup>

The increased interaction with the EU after the signing of the SAA increased participation from non-political actors, as well as civil society and business players in the decision-making process in the country. This has made the effort of Albania to meet the political accession criteria more effective. In addition, the rise of internal pressure and civil society conscience had a significant effect on the administration of the general elections in June 2013, marking the transition from continuously contested elections, to a more free and fair electoral process.

The Albanian government and the leadership continue to support EU integration and political reform efforts. The role of the MEI as a key coordinator for EU affairs with other government ministries has been critical. However, the government needs to strengthen strategic planning and budgeting as well as improve coordination at the central and local level. In addition, politicization of the public administration institutions, which has been an issue for Albania during the transitional period, has had a negative impact on the progress of the public administration reforms. With the adoption of Civil Service Law in May 2013, Albania has made a major step toward de-politicizing public administration in order to build a professional, effective, and merit-based public administration, as well as change the functioning of the bureaucracy. This should result in public administration reform as well as other reforms moving forward at a more rapid rate, thus meeting the EU

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<sup>179</sup>European Commission, *2012 Progress Report, Albania*, 6.

requirements. The government also should take advantage of the high level of public support and maintain a political consensus for the EU integration policies.

The independent media improved from a propaganda tool in the hands of the Albanian Party of Labor (APL) during communism, to an information tool with guaranteed freedom of expression. With the adoption of the Law on Audiovisual Media, Albania improved the legislative framework for audiovisual media in the country.<sup>180</sup> The improvements relate to the internal political desire for freedom, as well as the efforts to meet the required EU accession criteria of democratization. However, the legal framework and self-regulatory mechanisms require some more efforts.<sup>181</sup>

The implementation of the judicial reform strategy during 2011-2013, had a significant impact on the reform process and adapting to a democratic system. However, “political polarization and pressures, decreasing financial support, and the persistence of corruption,” hamper the reforms.<sup>182</sup> Implementing the judicial reform strategy, as well as the Civil Service Law, will have a positive effect on Albania’s consolidation of its democratic system including an independent judiciary as well as promoting transparency and efficiency.

The Albanian government has implemented a new anti-corruption strategy, and continuously stresses the struggle against corruption as a key EU partnership policy, but corruption continues to be widespread in many sectors in Albania. In addition, corruption

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<sup>180</sup>European Commission, *2013 Progress Report, Albania*, 10.

<sup>181</sup>See Freedom House web site, <http://www.freedomhouse.org/sites/default/files/Freedom%20in%20the%20World%202014%20Booklet.pdf> (accessed March 13, 2014).

<sup>182</sup>*Ibid.*

seems to be the main distracter in influencing the country's development and democratization. The EU considers fighting corruption a key priority for Albania's integration and if the country will not take measures to reduce it, corruption may hinder the efforts to meet the accession criteria. The Civil Service Law approved in 2013, will have a positive impact if implemented rigorously.

Due to mutual economic interests, fulfilling the EU economic criteria has been an effort driven by both the EU and Albania. Albania's desire to follow the road of an open trade economy, relates first to leaving behind the negative effects of the centralized economy and then to comply with the EU economic criteria. Albania began economic reform by opening the country for foreign investments and protected private property before signing the Agreement on Trade and Commercial and Economic Cooperation with European Economic Community in 1992. However, it is obvious that these reforms were beneficial because the EU responded by providing economic support for Albania with PHARE program and a contract for economic cooperation between parties.

Fraser Institute, the Heritage Foundation, and *the Wall Street Journal* indexes best demonstrate the progress in economic freedom of Albania from the beginning of 1990s until now. Albania has moved from a *repressed* economy in 1995 to a moderately free economy in 2014, and the implementation of economic reforms, which include trade liberalization, privatization, and flat tax rate, has had its positive effects. Low inflation and monetary stability have been another positive aspect for the Albanian economy. In addition, the EU Commission Opinion in 2010, acknowledged the progress made by Albania in implementing the SAA obligations regarding the trade-related pre-

conditions.<sup>183</sup> However, further efforts are required to fight corruption and increase judicial independence, to ensure further economic freedom in the country.

Even though the process for the approximation of Albanian legislation with EU legislation did not have the immediate attention of the EU until the initiation of the SAP in 2000, Albania has made good progress in adopting the EU legislation, but to a lesser degree implementing and enforcing it. The slower pace of socio-economic development as well as the inconsistent performance of Albania's democratic institutions may be the cause of this gap. However, the MEI has played a key role in making sure the draft legislation produced by other ministries aligns with EU legislation.

Albania's efforts to bring the institutions, management capacity, administrative and judicial system to the standards of EU have had a significant positive impact in the development of the country since the fall of communism. Implementing and enforcing the laws needs some more efforts.

The changes in Albania that occurred after the fall of communism in the year 1990 up to 2013 are the result of different causes. First, some changes are completely the result of the efforts of Albania to meet the EU accession criteria. Second, there are changes that are the result of *both* the efforts of Albania to meet the EU accession criteria, as well as internal social, economic, or political factors. Third, internal domestic social, economic, or political factors alone are responsible for some of the changes. The findings show that out of ten major areas of social, economic, or political changes since 1990, five of them are directly due to Albania's efforts to meet the EU accession criteria. There are four instances where the results indicate the changes have happened because of

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<sup>183</sup>European Commission, *Opinion on Albania*, 4.

a joint effort to meet the EU accession criteria as well as because of internal domestic factors. Only one instance from the results shows a major change was due to internal domestic factors rather than trying to meet the required criteria for EU integration.

Referring to the methodology presented in chapter 3, the hypothesis of this research argued that adaptation to the EU accession criteria has had a significant impact on Albania, socially, economically and politically. While the null hypothesis argued that adaption to the EU accession criteria has had no impact on Albania, the alternative hypothesis argued that internal social, economic, or political factors are responsible for the changes in Albania.

The evidence does not support the null hypothesis that adaptation to the EU accession criteria has had no impact on Albania. While there is clear evidence of internal social, economic, or political factors at work in the process that has changed Albania over time, the majority of evidence supports the hypothesis of this research paper, that adaptation to EU accession criteria has had a significant impact on Albania, socially, economically and politically.

#### Impact of the findings for Military application

Finally, the findings of the study suggest that adaptation to EU accession criteria has had a significant impact on Albania socially, economically and politically. The dramatic changes in Albania, caused by adaptations to Albanian institutions through the EU integration process, may indicate how military stabilization and assistance efforts in other countries (like Afghanistan) can successfully influence those countries towards a more democratic and open society. The significant caveat is that Albania had a preexisting desire to integrate with the Euro-Atlantic institutions and regain its place in

the European family of nations. This caveat however, does not localize the results of this case study. According to Dr. Thomas Barnett, there exists a functioning core of states that are integrated into the liberal Western economic, social, and political system.<sup>184</sup> Any state or political entity that desires to integrate into this international system can follow Albania's path towards integration as shown in this case study.

Conditionality and externalization best characterize Albania's efforts to integrate its economic structures as well as to align its legislation with that of EU. In addition, by adopting the necessary reforms in compliance with the provisions of the SAA, Albania followed a logic of consequences model. This means that by using the mechanism of conditionality, the EU initiated the process of integration using an incentives based policy that rewards the state wishing to integrate. The most relevant rewards for the non-member state are different types of agreements ranging from free trade areas and association agreements with provisions for obtaining financial support and technical assistance and accessing the single market, to full accession treaties. EU membership of adhering countries is conditioned on meeting the Copenhagen Criteria and adopting the *acquis communautaire*. Thus, external rewards for meeting the required criteria followed by punishments of rejecting the incentives if the standards are not achieved, as well as the adaptation of institutions to meet external criteria, is critical to the integration process of the country.

If the desired outcome of military stabilization and assistance efforts is a state that is a partner on the global stage, integrated into the liberal Western economic, social, and

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<sup>184</sup>Thomas P.M. Barnett, "The Pentagon's New Map," *Esquire* (Hearst Magazines) 139, no. 3 (March 2003), [http://www.esquire.com/features/ESQ0303-MAR\\_WARPRIMER](http://www.esquire.com/features/ESQ0303-MAR_WARPRIMER) (accessed May 8, 2014), 174-175, 227-228,

political system, and that incorporates a democratic form of government, then this case study provides the blueprint for achieving that outcome. The critical idea is that the government of the state must accept a conditional program of reform with external rewards and punishments, as well as adapting their institutions to meet external criteria. An equally critical point is that this is a longitudinal comparative case study that covers changes over a twenty-three year period, from 1990 to 2013. This process is still ongoing. This highlights the fact that consolidating major social, economic and political changes in a country requires a long time.

#### Recommendations for further research

There are other important aspects, which were not addressed in this thesis, and which can be considered as interesting subjects for further research. An area for future research would be to review the issue of corruption in Albania, which has been a major impediment in several key areas, to determine if the Public Administration reform and Judicial reform laws were effective methods to significantly reduce corruption.

Another area for research is analyzing if religious issues are hindering the EU accession process of Albania. This aspect can be extremely relevant for the analysis, taking in consideration that one of the reasons that Turkey is not advancing in joining the EU is because of their Muslim population. Even though tolerance and harmony between religions best characterizes Albanians, the perception in many EU countries is that Albanians are Muslim.

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