Book of Proceedings

3° International Conference on Human and Social Sciences

ICHSS 2013 - September 20-22, 2013, Rome, Italy

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The 3° ICHSS 2013 is organized by MCSER-Mediterranean Center of Social and Educational Research. The conference addressed all studies across the social and human sciences. In the spirit of interdisciplinary interchange, there was no specific topic but the Conference has involved scholars, teachers and researchers working in a broad range of areas including: Education, Anthropology, Applied Sciences, Behavioral Sciences, Cognitive Science, Literature, Language, Communications, History, Economics, Environmental Sciences, Health Sciences, Humanities, Interdisciplinary Studies, Law, Management, Media, Politics, Public Policy, Psychology, Qualitative Methods, Quantitative Methods, Social Welfare, Sociology, Technology, Geography and many other areas related to the social and human sciences. The conference provides an opportunity for academicians and professionals from various social and human fields all over the world to come together and learn from each other. An additional goal of the conference is to provide a place for academicians and professionals with cross-disciplinary interests to meet and interact with members inside and outside their own particular disciplines. The third edition of the ICHSS is held in Rome on September 20-22, 2013, in the Congress Center of Gregorian Pontifical University of Rome.

Vision of the conference

The 3° ICHSS is a global annual event with the mission of furthering the advancement and innovation in human and social sciences. The Conference serves as a means to connect and engage professors, researchers, consultants, innovators, managers, students, policy makers and others to offers an opportunity to meet and share ideas. It also inspire a new generation of global scientists and leaders in countries around the world.

Co-Partners

The Conference is organized by Mediterranean Center of Social and Educational Research in collaboration with Sapienza University of Rome; African Society for the Scientific Research (ASSR); African Association for Teaching and Learning; Brainboosters Programme of South Africa; Universidad Azteca, Mexico;

Publications

All papers presented in the 3° ICHSS 2013 will be published in the following Journals:

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Discourse on Democracy in the July 22, 2011 General Election Political Campaign in Turkey: The Case of Tayyip Erdoğan’s Political Rally Speeches

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Abstract

This study is an examination of the discourse concerning democracy in Turkey by the Turkish ruling party’s political leader, Tayyip Erdoğan. It is an approach to political campaign analysis by focusing on political campaign techniques and their relationship with democratic culture. This is an attempt to investigate democratic discourse concerning political campaigns because I assume that leaders share their ideas concerning politics and democracy extensively during campaigns. If we define liberal democracy as a process of representation, then political campaigns are very important in the overall democratic structure. However, liberal democracy cannot be viewed as elections only. There are three important normative principles in liberal democracy: limited state, rule of law, and accountability. I analyse these three principles in the political rally speeches of Tayyip Erdoğan in the 2011 general elections in Turkey for the month before the elections by employing discourse analysis. As a result, we can see that the rights of the citizens are seen only as voting and the duty of the state is defined as protecting and shaping them in the speeches. Hence, we can say that the democratic discourse of Tayyip Erdoğan is not sufficiently suitable for the normative principles of liberal democracy.

Keywords: Political Campaigns, Liberal Democracy, Democracy Discourse

1. Introduction

Liberal democracy spread in Western Europe after the 1950s and across the world after the cold war. Tens of countries have attempted to establish new democratic institutions. Elections were seen as the most important institutions in these countries. We can explain this situation as part of the general tendency of liberal democracy. Many scholars of liberal democracy believe that elections are the basic tool of the democratic process (Dahl, 2001; Lipset, 1981; Sartori, 1996). For them, liberal democracy is a system in which political elites struggle for power and elections are a basic tool to accomplish this. The role of citizens is restricted to voting. They can become informed during the election campaign and are able to decide freely. Political campaign techniques have improved to the point of realizing that citizens are increasingly well informed.

Since the 1990s, being seen as democratic is an international necessity for a country in a globalized world. If regular and frequent elections take place in a country, that country is considered democratic. Hence, in parallel to the USA and Western Europe, elections and political campaigns are seen as a necessity all over the world. This situation led to the importation of sophisticated campaign techniques. Turkey imported these campaign techniques by the 1990s. As with the other countries, elections are seen as a necessity by a democratic regime in Turkey. Özbudun described Turkey and other countries as “electoral democracies” (Özbudun, 2011).

In Turkey, democracy is seen as a tool to accomplish political objectives and concepts of democracy are very commonly used. As Dryzek and Holmes (2002) noted, “Political actors in these societies often justify their projects and preferred political orders in the language of democracy”. In this process, the media create a reality and define the contents of the concepts along with the political actors. Thus, it is very important to analyse democratic discourse in political campaigns to understand the approach of political elites to democracy. We can only define a country as a democracy if it has all of the institutions of democracy (Dahl, 2001, p. 105), not just elections. Turkey provides a very thought-provoking model and this study is intended to understand democratic discourse in Turkey using the case of the 2011 general elections. For that purpose, first, I describe the normative principles of democracy to compare the discourse of political elites in Turkey. Second, I discuss the elements of a modern political campaign process. Last, I analyse the Tayyip Erdoğan’s discourse of democracy in the 2011 general elections in Turkey.
1.1 Liberal Democracy and Its Normative Principles

As I mentioned above, liberal democracy is a system that regulates the relation between political elites and masses. In this model, the role of the citizen is voting and the role of political elites is settling political issues. In this sample process to protect the citizens and prevent excessive strengthening of the State, scholars of liberal democracy espouse normative principles. We can list these principles in three headings and say that these principles are the basis of democracy.

Table 1. Normative principles

| Normative Principles | The content of principles
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited state</td>
<td>Separation of law, protection of public interest, and distinction between private and public sphere</td>
</tr>
<tr>
<td>Rule of law</td>
<td>Personal rights, political rights, and economic rights</td>
</tr>
<tr>
<td>Accountability</td>
<td>Free and frequent elections, horizontal accountability mechanism, and intervention of organised interests.</td>
</tr>
</tbody>
</table>

Note. The information in the table is based on Offe (2011) and Beetham (1996).

Elections are a basic tool to accede but there are three headings to inspect the politics of power during the period between two elections. The first principle, shown in Table 1, is the limited state. As we know, liberal democracies develop under the umbrella of the State historically (Dahl, 2001, p. 61). However, there is an important point, liberal democracy needs a state, but if the state is too powerful, democracy cannot work (Tilly, 2011). At this point, separation of law, protection of public interest, and distinction between the private and public sphere are important principles. In this way, power can be restricted. Rule of law is another important point to avoid defeat of rights of citizens across to state. Personal rights include the rights of protecting one’s own body and conscience. Political rights include the right of participation, freedom of association, and others. The basis of economic rights is the right to property (Offe, 2011, p. 453). Accountability is very important to control the ruling party. Free and frequent elections are the most common control mechanism. Horizontal accountability is vital because it includes parliamentary opposition. Organized interest is an attempt to achieve their interests.

These principles are normative. States will be more democratic when they are closer to these principles. However, these principles are being threatened by the elections and new political campaign techniques because if people cannot attain correct information about political life, they are unable to make the best choices. It is possible to say that if political elites use the new techniques they can even define the concept of democracy itself. Yet, a democracy is meaningless unless it is defined by her citizens.

1.2 The Problem of Democratization in Political Campaigns

Scholars of liberal democracy give great attention to elections. They accept the importance of elections and election campaigns for a democratic country. However, some other critical scholars believe that liberal democracy assumes equality among citizens actually does not exist (Macpherson, 1979) and restricts the participation of ordinary citizens (Pateman, 1970). Some scholars of political communication think that these negative issues are also raised by political campaign techniques (Mancini & Swanson, 1996; Mazzoleni & Schulz, 1999; Negrine & Papathanassopoulos, 1996). Mancini and Swanson (1996) described these changes in a political campaign process as modernization of political campaigns and mention a modernization process concerning political campaigns worldwide. This process includes increased use of political advertising, the central role of the media, an increased role of technical experts, and growing budgets as the common themes used in campaign creation. This technique is an attempt to affect citizens under conditions of the modern world. The common points of these tools are prepared by experts and based on visual elements. Thus, political reality is defined by political actors and we believe and decide what we see.
Table 2. The information in the table is based on Manicini and Swanson (1996), Mazzoleni and Schulz (1999), and Mayhew (1996).

<table>
<thead>
<tr>
<th>Elements</th>
<th>Traditional Campaigns</th>
<th>Modern Campaigns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>Cheaper, low technology</td>
<td>Expensive, modern, high quality techniques</td>
</tr>
<tr>
<td>Media</td>
<td>Monitoring</td>
<td>Effects on cognitive capacities, agenda setting, impose own rule</td>
</tr>
<tr>
<td>Technical experts</td>
<td>Party member, volunteer, strong ties to the party</td>
<td>Professional, paid, no ties to the party</td>
</tr>
<tr>
<td>Budget</td>
<td>Limited</td>
<td>Very high</td>
</tr>
</tbody>
</table>

Media have an important role in this process. Media move away from an area of different political views. Thus, media have corruptive effects on the cognitive capacities of citizens. Blumler (1990) called this situation the “modern publicity process”. The modern publicity process is a struggle to influence key political events and issues. There are results: Basically, political actors obtain more resources and energy for their media strategies. Second, pressure group activities will be more media-centric. Third, political decisions will be more mediated. Fourth, personalization dominates politics rather than issues that are difficult. Finally, media will determine the rules of modern publicity games. In brief, media is re-defined doing politics and its content. In addition, media supports personalization.

Social differentiation brought on by modern life has changed party structures too. During the post-war period, especially the Western European party systems, there have been great transformations. Kircheimer (1966) defined this new party style as “catch all parties”. Then, in the 1980s, Panebianco coined the concept of “electoral-professional parties”. The most important point is that citizens have lost the ideological assumptions in this process. Thus, parties lost functions about their members’ moral education. For new parties, everyone is a voter and parties try to attract members to take greater power. If parties want to take votes, they use marketing techniques and employ professionals. This structure is created by professionals defined by the Mayhew (1997) as “new public”. In new public, professionals have a large influence in making decisions. Mayhew (1997) explained the basic problem: “In the twentieth century, the rise of technical, instrumental reason threatened to vitiate the process of public discussion” (4). In brief, the problem is that citizens are removed from making decisions.

In this process, the basic problem is the exclusion of citizens, as Bennett (1992) emphasized. In this new political area, media creates the reality; thus, content of the notions is defined by the media and actors that have been able to take part. My study is concentrated on this point. I assume that, in this new political environment, notions of democracy are defined by political actors and so it is important to analyse political leaders’ discourse of democracy. Thus, I want to analyse the concept of democracy and how it can be found inconstant with normative meanings.

2. Analysing the 2011 General Elections in Turkey

In this study, political leaders’ discourse on democracy in political campaigns is analysed by employing critical discourse analysis (CDA). My case study is the political rally speeches of the prime minister of Turkey, Tayyip Erdoğan, during the election cycle of 2011. I analyse rally speeches of the leader inside the scope of the 2011 political campaign for a month before the election. I analyse three normative principles in the speeches of Tayyip Erdoğan regarding liberal democracy: limited state, rule of law, and accountability. Analysing the political discourse is a broad study area and many studies have addressed this topic (Fairclough, 1996, 1998; Fairclough & Wodak, 1997; Gastil, 1992; Van Dijk, 1997). The reason for choosing this method is the idea that political language is the social reality itself. Because as Fairclough (1996) noted, meanings of concepts can transform ideological common sense. It is a very important point for this study because if people accept the definition of concepts made by political elites, democracy cannot work. To analyse political discourse, we must think on three dimensions: description, interpretation and explanation (Fairclough, 1996).

Table 3. Dimensions and their content

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Vocabulary, grammar and textual structures</td>
</tr>
<tr>
<td>Interpretation</td>
<td>Social context, instant status</td>
</tr>
<tr>
<td>Explanation</td>
<td>Ideological dimensions, social determinants</td>
</tr>
</tbody>
</table>

Note. Information based on Fairclough (1996).
As we see in Table 3, analysing the political discourse is a complicated process. It must include social context and other dimensions with the language uses. In other words, social context as language is important. Hence, I will talk about political context before the elections of 2011 in Turkey and then analyse the discourse of democracy.

2.1. Social Context in Turkey Before the 2011 General Elections

Since the 1950s, democratization has been anticipated as a vital issue for Turkey’s political actors. However, democratization reached importance after the 1990s, through the desire to join the EU, changing the international political environment after the cold war, and the growing demands of Turkish citizens. Thus, after the 1990s, the notion of democracy is one of the most widely used by the politicians in Turkey. After ten years, Turkey’s political life gets a new face. Relations between the EU and Turkey changed after the 2000s. A new party called the Justice and Development Party (AKP) emerged after an economic crisis in Turkey. This new party came to power after its first general election in 2002. In the next two general elections, 2007 and 2011, the party was the ruling party.

Table 4. Vote rates of three major political parties in Turkey

<table>
<thead>
<tr>
<th>Party</th>
<th>2002 Elections %</th>
<th>2007 Election %</th>
<th>2011 Election</th>
</tr>
</thead>
<tbody>
<tr>
<td>AKP</td>
<td>35</td>
<td>46.58</td>
<td>49.83</td>
</tr>
<tr>
<td>CHP</td>
<td>19</td>
<td>20.88</td>
<td>25.98</td>
</tr>
<tr>
<td>MHP</td>
<td>8</td>
<td>14.27</td>
<td>13.01</td>
</tr>
</tbody>
</table>

As you see in Table 4, AKP’s votes increased during each of the three successive election campaign periods. We can explain these improvements as the traditional polarization of Islamic and republican groups in Turkey. Some people think that AKP is an Islamist party and they are in the face of secular republican values. This opposing group includes urban and educated people. The masses support the AKP because of the Islamic values in party politics (Yavuz, 2011). They live in both cities and rural areas. We can say that all of the speeches of the party leader Tayyip Erdoğan were based on this polarization.

2.2. Democracy Discourses in the Speech of Tayyip Erdoğan

2.2.1. Limited State

Liberalism does not accept paternalism. In other words, liberalism never says what is “exactly through”. Hence, the state should not decide on behalf of the people. When we look at the speeches of Tayyip Erdoğan, we can see the acceptance of a powerful state. He thinks that there is one absolute interest and it is the best for all society. It is not suitable for the liberal democratic limited state principle. He noted on July 14 2011 in Ankara, “The survival and the future of our state and republic depend on all of us to look the same. We all must want the same things” (Erdoğan).

As we see in the speech, one interest is defined for all society by Tayyip Erdoğan. However, the liberal democratic model is based on the different groups defending their interest. Actually, representation is about defending different groups’ interests. Therefore, if there were only one interest in a society, representation would be meaningless. Tayyip Erdoğan’s strong sense about a robust State can be seen at his overview of other parties. He marked the legal BDP political party as illegal. On June 10 2011 in Ağrı, he stated, “BDP is discriminatory, divided, and never in the face of these politics. Do not fight with these politics. Why? Because their objective is different (they are running after illegal politics).”

A strong state is a problem to improve a democratic culture. We can say that it is problematic when it was told by a political party leader addressed to the millions of people on a political rally speech.

2.2.2. Rule of Law

Rule of law is displayed in the individual rights of citizens. T. H. Marshall (2006) divided citizens’ rights into three parts: civil rights, political rights and social rights. Civil rights are about the intellectual development facilities of citizens. In Turkey, civil rights are not developed because of the strong State. Political rights include the right of assembly, right of
association etc. However, in the speeches of Tayyip Erdoğan, political rights can be seen as only the right to vote. On July 9 2011 in Gaziantep, Tayyip Erdoğan noted, “Let us give the CHP a democracy lecture on the ballot box. Go to the ballot with a loud voice and take the 12 representatives. Can the Gaziantep accomplish this? I believe you will.”

In the speech, the success of the voters is seen as going to the ballot because their political rights involve voting. Other participation methods are not suitable for Turkey’s democratic culture.

Social rights are very important to prohibit social inequalities. In Turkey, social rights are seen only as economic development. On July 6 2011 in Samsun, Tayyip Erdoğan noted, “National income 85 billion dollars of Turkey has increased 400 billion dollars in 4.5 years. In addition, Turkey is the sixth largest economy in Europe now. This is Turkey, country of the alteration.”

As we see, economic development is the most important subject in Turkey’s politics. However, social rights are about the improvement of the life quality of citizens. This not a problem in Tayyip Erdoğan’s speeches. Purveying is a common method to help citizens. However, a systematic equality mechanism is not a policy issue.

2.2.3. Accountability

Accountability is a mechanism of inspection of the ruling party until the new elections. There are very complicated mechanisms such as constitutional courts, parliamentary debates, and questions, which could be entitled of horizontal mechanisms. This mechanism protects the citizens against cruel practices of the state. Tayyip Erdoğan excluded the horizontal mechanism. For him, accountability can occur only in the political rally. He noted on June 8 2011 in Elazığ, “Our complaint address is you. We share our happiness and joy, sadness and troubles, only with you.”

The address of accountability is not parliamentary or other places. Political rallies are the basic mechanism of the accountability. The courage of a political leader can be seen at the political rally. Tayyip Erdoğan stated on July 6 2007 in Samsun, “I stand before you and I am ready to account. I have self-confidence to look your eyes into the faith.” For Tayyip Erdoğan, accountability is an issue of self-confidence. However, in liberal democracy, accountability is not seen as an individual activity. It must be implemented by institutions.

3. Conclusion

Liberal democracy is a common form of government all over the World. Turkey passed the multi-party system after 1950 and has tried to establish democratic institutions since then. The most important one of these institutions is free and frequent elections. Elections are seen as the most important tool of democracy in Turkey and even political participation is almost restricted on voting. The 1982 Constitution of Turkey particularly restricted citizen mobilization. For example, relations between civil society and political parties are restricted. Thus, in Turkey, citizens cannot mobilize, they can only vote. Next, political leaders confront citizens in the political campaign period more than another time. Leaders share their ideas about policies at campaign times; also, they benefit from concepts. The concept of democracy is one of the most widely used.

We see from our analysis that the discourse of political party leaders is shaped by this general perception of democracy. I claim that Tayyip Erdoğan’s discourse of democracy is not sufficiently suitable for liberal democratic normative principles. The rights of citizens seen as voting and the duty of the State are defined as protecting and shaping them. Hence, to be a more democratic country, discourse on democracy in Turkey must be changed by political leaders first, because if the discourse of democracy is narrow, the democratic institutions of the country will not develop in accordance with democratic principles.

References


Internal Factors Affecting Albanian Banking Profitability

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Abstract

The purpose of this study is to analyze some of the more important internal factors that affect the profitability of commercial banks in Albania. The aim of this paper is to find out the relationship between the internal factors and bank profitability. Bank profitability is measured by Return on Assets (ROA) as a function of some important determinants taken in consideration in this research. Through this paper I would like to show how practical results seem to be equal to the empirical results. This paper analyzes the profitability of commercial banks in Albania over the time period from 2005 to 2012 for 12 commercial banks in Albania organized by 95 observations. This paper uses regression analysis fixed effect model to implicate the results with the respective hypotheses. The factors taken into consideration are Bank size, Loans, Deposit, Credit Risk, Interest income etc. The result from the analysis shows that, few of internal variables have significant influence on a bank’s total assets and some other have no significant effect on bank profitability.

Keywords: Bank profitability; commercial bank, bank size, regression model

1. Introduction

The financial system of the Albania is characterized by the dominant and specific role of the banking sector, since the capital market segment for long-term finance being illiquid and, in some cases underdeveloped, while non-bank financial intermediaries, such as life insurance companies and private pension funds, are still at under development. Ultimately the Albanian banking system has counted many changes during these years.

This paper seeks to examine the effect of bank-specific internal factors on the profitability of the Albanian banking industry over the period 2005-2012 for 12 commercial banks in Albania organized by 95 observations. This paper uses regression analysis fixed effect model to implicate the results with the respective hypotheses. The factors taken into consideration are Bank size, Loans, Deposit, Credit Risk, Interest income etc.

2. Literature review

In the literature, bank profitability, typically measured by the return on assets (ROA) and/or the return on equity (ROE), is usually expressed as function determinants. Determinants of bank profitability can be split between those that are internal and those that are external. Internal determinants of bank profitability can be defined as those factors that are influenced by the bank’s management decisions and internal policy objectives. Management effects are the results of differences in bank management objectives, policies, decisions, and actions reflected in differences in bank operating results, including profitability.

Such profitability determinants are the level credit risk, provisioning policy, capital adequacy, expenses management and bank size. On the other hand, the external determinants, both industry-related and macroeconomic, are variables that reflect the economic and legal environment where the credit institution operates.

Changes in credit risk may reflect changes in the health of a bank’s loan portfolio (Cooper 2003), which may affect the performance of the institution. Duca and McLaughlin (1990), among others, conclude that variations in bank profitability are largely attributable to variations in credit risk, since increased exposure to credit risk is normally associated with decreased firm profitability. This triggers a discussion concerning not the volume but the quality of loans made. In this direction, Miller and Noulas (1997) suggest that the more financial institutions are exposed to high-risk loans, the higher the accumulation of unpaid loans and the lower the profitability.
Even though leverage (overall capitalization) has been demonstrated to be important in explaining the performance of financial institutions, its impact on bank profitability is ambiguous. As lower capital ratios suggest a relatively risky position, one would expect a negative coefficient on this variable (Berger, 1995b). However, it could be the case that higher levels of equity would decrease the cost of capital, leading to a positive impact on profitability (Molyneux, 1993). Moreover, an increase in capital may raise expected earnings by reducing the expected costs of financial distress, including bankruptcy (Berger, 1995b). Indeed, most studies that use capital ratios as an explanatory variable of bank profitability (e.g. Bourke, 1989; Molyneux and Thornton; 1992; Goddard et al., 2004) observe a positive relationship.

Finally, Athanasoglou et al. (2005), suggest that capital is better modelled as an endogenous determinant of bank profitability, as higher profits may lead to an increase in capital (also see Berger, 1995b). For the most part, the literature argues that reduced expenses improve the efficiency and hence raise the profitability of a financial institution, implying a negative relationship between an operating expenses ratio and profitability (Bourke, 1989).

However, Molyneux and Thornton (1992) observed a positive relationship, suggesting that high profits earned by firms may be appropriated in the form of higher payroll expenditures paid to more productive human capital. In any case, it should be appealing to identify the dominant effect, in a highly transitional banking environment like the SEE’s.

Bank size is generally used to capture potential economies or diseconomies of scale in the banking sector. This variable controls for cost differences and product and risk diversification according to the size of the credit institution. The first factor could lead to a positive relationship between size and bank profitability, if there are significant economies of scale (see Akhavein et al. 1997; Bourke, 1989; Molyneux and Thornton, 1992; Bikker and Hu, 2002; Goddard et al., 2004), while the second to a negative one.

Haslem (1968, 1969) computed balance sheet and income statement ratios for all the member banks of the US Federal Reserve System in a two-year study. His results indicated that most of the ratios were significantly related to profitability, particularly capital ratios, interest paid and received, salaries and wages. He also stated that a guide for improved management should first emphasise expense management, fund source. A number of studies have concluded that expense control is the primary determinant of bank profitability. Expense management offers a major and consistent opportunity for profitability improvement.

With the large size and the large differences in salaries and wages, the efficient use of labour is a key determinant of relative profitability. Staff expenses, as conventional wisdom proposes, is expected to be inversely related to profitability because these costs reduce the “bottom line” or the total operations of the bank. The level of staff expenses appears to have a negative impact on banks’ ROA in the study of Bourke (1989). However, Molyneux (1993) found a positive relationship between staff expenses and total profits. As he suggests high profits earned by firms in a regulated industry may be appropriated in the form of higher payroll expenditures.

External determinants of bank profitability are concerned with those factors which are not influenced by specific bank’s decisions and policies, but by events outside the influence of the bank. Several external determinants are included separately in the performance examination to isolate their influence from that of bank structure so the impact of the formers on profitability may be more clearly discerned.

Market concentration is not a random event but rather the result in industries where some firms possess superior efficiency. This hypothesis states that efficient firms increase in size and market share because of their ability to generate higher profits, which usually leads to higher market concentration. To distinguish between the two hypotheses, past researchers have included market share as an independent variable, with a positive coefficient usually supporting the EFS hypothesis (Smirlock, 1985). Smirlock models bank profitability as a function of market share, concentration, and an interaction term between market share and concentration (as well as several control variables) for over 2,700 unit state banks. However, this conclusion depends on whether market share can be considered as a proxy for efficiency of larger firms rather than as a measure of market power. An obvious solution to this problem is to include a measure of efficiency directly in the model. A necessary condition for the EFS hypothesis to be true is that efficiency must be positively related to concentration and/or market share.

Only recently, some authors [Berger and Hannan (1992), Goldberg and Rai (1996)] have tried to examine the implications of the EFS hypothesis regarding the effects of efficiency on market structure. Berger (1995) formulated models that included two measures of efficiency, X-efficiency and scale-efficiency, to test the structure-performance relationship. The positive relationship between profits and concentration is explained by lower costs achieved through either superior management or production processes.

Another variable used in some studies is the scale of regulation in several banking sectors. Jayaratne and Strahan (1998) find that operating costs and loan losses decrease sharply after states permit statewide branching and, to a lesser extent, interstate banking. The improvements following branching deregulation appear to occur because better banks...
grow at the expense of their less efficient rivals. Various studies have found that ownership characteristics may influence bank profitability. This is based on the view that management incentives differ under different forms of bank ownership [Short (1979), Bourke (1989), Molyneux (1993)].

Firstly, it creates great difficulty for the “assessment of loan decisions”, since a loan arrangement which performs at the anticipated rate of inflation may turn out to be much more marginal if inflation is unexpectedly low and realised interest rates thus unexpectedly high. Uncertainty about future inflation may cause problems in planning and in negotiation of loans. Finally, high and variable inflation encourages bank financing investment in property markets, an investment strategy which may lead to market losses or great profitability according to the implemented monetary policy.

Performance is also influenced by numerous other forces that are frequently described as “demand” factors. While all demand factors cannot be identified or quantified, Kaufman (1965) believes that levels and changes in population and income may reasonably be assumed to be among the most important (also Yeats, 1974). Nelly and Wheelock (1997) conclude that state per capita income in US exerts a strong positive statistical effect on state bank earnings while income growth explains a relatively small amount of the variation in bank earnings. On the other hand, Heggestad (1977) found that per capita income does not affect bank profits. In any case, we suspect that per capita income may not be a good proxy for economic shocks that most directly affect bank earnings - for example, oil crises or commercial real estate crashes. A sharp downturn in a sector, such as real estate, could dramatically affect bank earnings without having a large impact on per capita income.

Zimmerman (1996) found that regional employment conditions are a significant contributing factor for both community bank asset quality and ROA. Haslem (1968) found that the effects of location on profitability are not important (these effects are important only to bank managers and others). Tirtiroglou and Daniels (2000) suggest strongly that the regional heterogeneity of US banking geography and its temporal dynamics are important determinants of bank performance. On the other hand, Zimmerman (1996) suggests that location is an important factor in determining profitability. Prasad and Harker (1997) found that in the competitive environment of retail banking, neither IT capital not IT labour investments should make significant impacts on the firm’s profitability. The results bear this hypothesis out: IT investment has zero or insignificant effect on bank profitability.

3. Research methodology and the econometric model

This study is based under panel data of period of 8 years from 2005 to 2012 for 12 important commercial bank in Albania. The primary data were taken by secondary resource from annual reports of each bank, annual report of Bank of Albania and other data published by Albanian Association of banks. The analyzed data is based on 95 observations in total which are from statistical point of view enough to test the hypothesis of the study.

The data are analysed by using linear regression estimated in form of:

\[ Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 X_{5it} + u_{it} \]

Where:

- \( Y_{it} \) represent ROA (return on assets of the bank \( i \) in time \( t \))
- \( X_{1it} \) represent Bank SIZE (Log of assets of bank \( i \) in time \( t \))
- \( X_{2it} \) represent Bank Loans (TL/TA represents ratio of Total Loans to Total Asset for bank \( i \) at time \( t \))
- \( X_{3it} \) represent Credit Risk (NPLR= NPL/TL represents ratio of Total Non performing Loans to Total Asset for bank \( i \) at time \( t \))
- \( X_{4it} \) represent Bank Deposits (TD/TA represents ratio of TotalDeposits to Total Asset for bank \( i \) at time \( t \))
- \( X_{5it} \) represent TNI (TNI represents total net interest for bank \( i \) at time \( t \))
- \( u_{it} \) represent error term

3.1 Hypothesis of the study

The objective of this study is to find out the relationship between internal factors on Bank’s profitability in top 12 banks of Albania. Based on the objective, the present study seeks to test the following main hypothesis:

- \( H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0 \) (none of the factors has not impact on bank profitability)
- \( H_1: \beta_1 \neq \beta_2 = \beta_3 = \beta_4 = \beta_5 \neq 0 \) (at least one factor has significant impact on bank profitability)

From the data analysed by Microfit for Windows, if we reject \( H_0 \) we have to verify alternative hypothesis with alternatives mini hypothesis:

- \( H_{1-1}: \beta_1 \neq 0 \) (Bank size has significant affect on bank profitability)
- \( H_{1-2}: \beta_2 \neq 0 \) (Bank loans has significant affect on bank profitability)
In this study are not included all internal factors who affect bank profitability, but is limited to test the relationship between ROA (dependent variable) and 5 independent variables taken in consideration:

- Return on Asset (ROA): The ROA is an indicator of bank's profit ability. It is calculated by dividing net income to total assets. ROA shows the profit earned per dollar of assets which reflects bank's management ability to utilize the bank's financial and real investment resources to generate profits [Ben Naceur (2003) and Alkassim (2005)].

- Size of Bank: The size of a bank is measured by total assets (log assets). The size of the bank is included in this study, as an independent variable, which account for size related economies and diseconomies of scale. In most of the finance literature, the total assets of the banks are used as a proxy for bank size. However, since the dependent variable in the model (ROA) was deflated by total assets it would be appropriate to take natural logarithm before including it in the model to be consistent with other ratios.

- Total Loans (TL) to Total Assets (TA): Asset composition (TL/TA), which is explained by total loans divided by total asset, provides a measure of income source and measures the liquidity of bank assets tied to loans. TL/TA is included in the study of profitability as an independent variable to determine the impact of loans on banks' profitability.

- Credit risk (measured by NPLR – Non Performing Loan Rate) Credit risk is represented by NPLR (Non Performing Loan divided by Total Loans) is one most important variables which have a significant effect to ROA of samples banks.

- Total Deposits (TD) to Total Assets (TA): The ratio of deposits to total assets is another liquidity indicator but is considered as a liability. Deposits are the main source of bank funding and hence it has an impact on the profitability of the banks. Deposits to total assets ratio is included as an independent variable in this study.

- TNI/TA (Total Net Interest divided by Total Assets) is a measure of the difference between the interest income generated by banks or other financial institutions and the amount of interest paid out to their lenders (for example, deposits) divided by total assets, relative to the amount of their (interest-earning) assets. It is similar to the gross margin of non-financial companies.

### 3.3 Results and estimation

This section deals with the results of the study which include descriptive statistics, econometric results and tests for multi-collinearity which is relevant for the study. Due to the diversity in operations and regulations, four of the local banks were not considered for analysis, as their services were restricted to specialized areas. These include 12 commercial bank of Albania more active to the banking industry. The descriptive statistics are calculated and presented in Table 1 for ready reference.

#### Table 1: The results of regression model
The value for the R-squared adjusted in the model is 0.55 which endorses that 55% of the variation in the dependent variable is explained by the independent variables taken in consideration of our model. The 45% variation in the dependent variable remains unexplained by the independent variables of the study, this is normal because many external factors who affect profitability are not taken in consideration in this study. The value for the F-statistic (5, 88) is 23.66 greater than Critical F and is significant endorsing the validity and stability of the model relevant for the study. The results of the data analyze suggest that all the independent variables taken in model are significantly statistically so all the hypothesis are verify. The SIZE, TL/TA, TNI/TA and TD/TA have significant positive relation with ROA; meanwhile NPLR has significant negative relation with ROA. The results are due to literature review.

Table 2: Descriptive analysis

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<th>Sample period : 1 to 96</th>
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<tr>
<td>Variable(s) : NPLR, SIZE, NR, DA, TNI/TA</td>
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<tr>
<td>Maximum : 0.42150, 26.4290, 1.3235, 1.2546, 1.5217</td>
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<tr>
<td>Minimum : -0.047000, 21.2495, 0.015000, 0.2059, -0.048392</td>
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<tr>
<td>Mean : 0.10065, 24.4280, 0.50765, 0.76335, 0.11411</td>
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<tr>
<td>Std. Deviation : 0.97640, 1.0460, 0.20000, 0.16844, 0.26625</td>
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<tr>
<td>Skewness : 1.4339, -0.66862, 0.66539, -1.0087, 3.6495</td>
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<tr>
<td>Kurtosis - 3 : 2.5091, 0.69899, 1.8719, 1.2816, 15.5719</td>
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<td>Coef of Variation: 0.77148, 0.044365, 0.39397, 0.20366, 2.3333</td>
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Table 3: The correlation matrix

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4. Conclusions

This study investigates the impact of bank-specific characteristics on bank’s profitability in the Albanian’s banks for the 2005-2012 periods. Individual bank characteristics (internal factors) are considered as determinants of bank profitability in Albania. Banks with greater size, Total Assets, Loans, Deposits and net interest are perceived to have more safety and such an advantage can be translated into higher profitability.

Our findings in this regards are:

- Higher total assets may necessarily lead to higher profits. The positive coefficient of size, significant at the 5 percent level, indicates that this relation is positive related to ROA. An increase of 1% to total assets increases 0.02 ALL to profitability of banks.

So H1-1 β1 ≠ 0 (Bank size has significant affect on bank profitability)—Accepted
Higher loans contribute towards profitability but their impact is significant that reveals that more dependence on one major asset, may lead to profitability but with less significant impact on overall profitability. An increase of 1ALL to TL/TA will increases 0.03 ALL to profitability of banks. So H1-2 β2 #0 (Bank loans has significant affect on bank profitability)—Accepted

One major finding was the negative relationship of NPLR towards profitability when one of the banks showed a loss. An increase of 1ALL to NPLR will decreases 0.07 ALL to profitability of banks. So H1-3 β3 #0 (Credit Risk has significant affect on bank profitability)—Accepted

Total deposit to total assets and total equity to total assets showed a positive and significant relationship with profitability indicator ROA. An increase of 1ALL to TD/TA will increases 0.02 ALL to profitability of banks. So, H1-4 β4 #0 (Bank deposits has significant affect on bank profitability)—Accepted

Total Net Interest to total assets showed a positive and significant relationship with profitability indicator ROA. An increase of 1ALL to TD/TA will increases 0.3 ALL to profitability of banks. So, H1-5 β5 #0 (Bank interest has significant affect on bank profitability)—Accepted

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## Apendices

### Residuals and Fitted Values of Regression

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### Plot of Residuals and Two Standard Error Bands

![Plot of Residuals and Two Standard Error Bands](image)
Comparative Study of Siavash and Soodabeh Story from Shahnameh of Ferdowsi with Hyppolite and Phedre Story Worked by Racine

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Abstract

Ferdowsi is one of the greatest poets of Iran whose great work named Shahnameh, is a national epic which is equal to world epics such as Iliados and Odyssee which are Homerus' work. But its difference with epics of other nations is variety of this book. The book in which adventures of kings and champions has been expressed in mythical, heroic and historical stories. One of its stories is story of Siavash and Soodabeh which its story is very similar to a story from Euripide, Greek tragedy writer: story of Hyppolite and Phedre. This story has also been written by Racine, French poet and tragedy writer and both has created an independent story because subject of story itself has been considerable for them but Ferdowsi has considered to this story as one of Shahnameh adventures which is an introduction to important events. Both stories are about a forbidden and sinful love. In this essay, similarity and difference between story of Siavash and Soodabeh and story of Hyppolite and Phedre is studied.

Keywords: Ferdowsi, Euripide, Racine, Siavash, Hyppolite, Soodabeh, Phedre.

1. Introduction

In this article two stories in the form of Adaptive Art knowledge are focused to step forward to discover the similarities between Shahnameh by Ferdowsi as Iran nation Historical and heroic epopee and Greek tragedy. Themes and topics which can be seen in Shahnameh were and are the issues of all epochs and generations and permanent concern of all human beings. The secret of eternal permanence of this masterpiece is focusing on human beings and common pains of them. This book has prominent specifications due to fiction values and the heroes section has a higher status. As the stories in Shahnameh talk about heroes and the story of their fate, causes every story to be a dramatic work separately, as lots of world's great dramatic works inspired by mythical, historical and ancient stories. Stories firm design, structural and lyrical beauty, unique characterization, dramatic conflict, narrative complexity, Crisis and suspense, all are arranged together with surprising regularity.

Story of Siavash is one of the longest stories in Shahnameh. Structure contains interlocking pieces and epic title may be considered appropriate for that. This story has three parts: the beginning of life, clashes with Soodabeh, living in Tooran, and end of life. (Islami Nadoshan 2008: 156) and each can be independent in spite of being dependent. Story of Siavash main theme is opposing fate and this theme is existed in "Hippolite" by Euripide and "phedre" by Racine dramas. Another considerable issue is that in all three cases, forbidden love of the queen to stepson can be seen in two phedre and Hippolite dramas and Considerable amount of work has been devoted to it, but in story of Siavash just a part of the story is specified to this love, even though the origin of the story’s further events and even Siavash’s death is the same love but it is not considerable part in story. In Racine’s drama, the story is based on the same woman as the name of drama is specified to her. Euripide drama is the platform of Aphrodite goddess (goddess of love) and Artemis (goddess of hunting) confrontation. The mythic character in spite of their short physical presence on stage can be felt practically along the story and dramatic reaction takes place through their confrontation. Aphrodite is the initiator of dramatic situation in drama that underlies all of the events by Hippolite Curse. She is the goddess of love and Athenian knows her the most ancient goddesses of fate and held temple and cult for her. (Dixon Kennedy, 1385: 44).

Disregarding Aphrodite causes the protest of this Goddess to Hippolite and finally, because of this refusal and the worship of Artemis, Aphrodite places the curse upon him. Nevertheless she has to provide only one Prologue and she does not appear until the end of the play. Artemis who is against Aphrodite in drama is the virgin God of hunting. (The same source: 24) this feature is in real contrast of Aphrodite. The statues of these two at the beginning of the drama in two sides of the scenes in spite of the Euripide emphasize on the conflict between these two, show the role of the Gods in
Greek fate belief stabilization. These two goddesses form the beginning and end of the drama. In fact enmity is between Aphrodite and Artemis, not to Hippolite. At the end, Artemis gets revenge on Hippolite and her role in revealing the fact is accidental that occurred and Thesec (Hippolite's father) is unaware of that and asserting that, proves the impeccability of the Hippolite and justifies phedre's acts.

In story of Siavash, it is opinion to astronomer's suffrage report and adventures that Siavash and Afrasyab's minister are talking about to expand the role of destiny somehow. Hippolite structure in spite of maintaining the unity of the triple is completely Aristotelian but the structure of Siavash's story has location Multiplicity and time failure which is different from Aristotelian structure. What caused these two stories to be the same in the structure is fate. In Hippolite the prologue which is saying by Aphrodit at the beginning of the story, gives us sufficient information about the work but we can't see that in the story of Siavash.

Racine in his drama with the name of phedre which was written in 1677 AD, has done a complete rewrite of Hippolite but instead of emphasizing on Hippolite's good innate and calm characteristic focuses on Pheder's Passionate and jealous characteristic. This drama is the best-known and most controversial one among his dramas in which the author deals with the human desire for passionate feelings. Racine's special attention to heroine behaviour and also its complexity is Indicative of the author's acquaintance to feelings of inner layers of Women's feelings.

2. Ferdowsi, Oripid and Racine

Ferdowsi: the Great Iranian poet and Poet of Shahnameh; the national epic of Iran who was born in Khurasan (North-East of Iran) In 940 AD in wealthy and noble family in a level which was Guardian of ancient Iran and The medium which links post-Islamic and Pre-Islamic Iran. (Islami Nadushan, 2008:59) We do not have any information about his childhood and adolescence. However by paying attention to his biography, it can be found that he had observed ancients Poems and writings sufficiently so he could compose Shahnameh. (Doostkhah, 2005:20).

He had started to compose Shahnameh while he was 30 and finished it within 30 years. He passed away around 1120 AD. After death, He was buried in his garden in Tus, Khurasan. Ferdowsi is world famous and his masterpiece (Shahnameh) was translated in to many living languages in the world. Shahnameh is about 50 thousand couplet (verse) with the issues of Biographies, successes, failures, frustrations and heroism of Iranian the oldest Persian period (the first king of the world) Until the fall of the Sassanid in the seventh century AD and divides in Mythological, heroic and historical three eras. In Shahnameh there are also sporadic independent stories and many of them are the world's masterpieces themselves.

Euripide: The ancient Greek poet and playwright. He forms ancient Greek playwrights Triangle with (Aeschylus) and (Sophocles), the exact time of his birth is not clear and supposed to be born in 480 AD. As a child, he learnt painting and music and started to learn philosophy under the supervision of his era Masters and started to write as he was 25 and he wrote 92 dramas along 50 years of writing but just 19 of them are available now. He was bound to maintain the classical tradition and his writing style was realistic. He fights with Mythological God's power and asserts Psychological and emotional problems humans struggle in their works. Euripide passed away in 406 BC in Macedonia. His works include: Helen, Ion, Medea, Hippolite, Alsest, The Bacchae, The Torian women and etc.

Jean Racine: He is the great seventeenth-century French dramatist, who was born in 1639 AD. He had lost his parents while he was a child and learnt classic education next to his grandparents and also learnt Extensive information on Greek and Latin literature. At the age of 18, he began to write dramas gradually. His most famous works include: Andromache, Britanikos and Pheder. He passed away in Paris in 1691. He depicts love as deadly Force that exhausts the individual. He also depicts an innocent couple in all his tragedies that are united by an impossible love and are separated. He is kind of author who proved his ingenuity in simple language form Beauty and purity point of view.

3. Siavash and Soodabeh story

In this story, we see the passivity of man against fate, as if fate is cause of all the events. Siavash submits against the fate unimaginably. The first part of the story is about mother of Siavash who is captured by Giv and Toos (two Iranian hero) in a plain. She escapes from her drunken father. In Toos and Giv battle, is granted to Kavoos Shah. Siavash is born from their marriage and Astronomers see his fortune garbled and his life full of pain with the bitter result so inevitably, they inform the King. The king delivers Siavash to Rostam (the greatest hero in Shahnameh) to learn the techniques of Battle and combat and after several years he restores him to Kavoos again. mother of Siavash is died and Soodabeh (Kavoos's wife) falls in love by seeing Siavash. Siavash who is symbol of the beauty and purity of mind and body doesn't want to commit a sin. Soodabeh who is feared of scandal accuses siavash. Even though Kavoos is sure about
According to Narrative of Greek mythology "Theseus" is the tenth king of Athens. There is a legend about his childhood:

4. Hippólite and Phèdre story

According to Narrative of Greek mythology "Theseus" is the tenth king of Athens. There is a legend about his childhood: while Egee who is Theseus’s father wants to leave Trezene (the country of his wife) and moves to Athens, put his shoes and swords under a piece of huge stone and orders his wife Ethra that his son is not allowed to go to Athens to his father while he is not so strong to lift the stone. In his fifteen Theseus lifts the stone, takes his father’s shoes and sword and moves to Athens. On the way he fights bandits who disrupted Etique security and kills most of them. As he reaches Athens, Medea who is magician, heard about his courage, is afraid and wants to kill him. At the dinner time Egee recognizes his son through the sword and prevents him to drink poison which was provided by Medea and Egee drives her away as he realizes her craft.

After a while Theseus decides to release Athens from heavy and ignominious burden of tax which is being paid to Minos king of Crete so starts to be united with Crete’s people for war and before departure asks Delphes Temple Pythian to tell the God’s thought about it. Pythian says; he would be successful in case of being guided by love. Theseus starts war in Crete. Ariane who is Minos’s daughter falls in love with him and accompanies him to succeed so love guides him and assures his conquest. As he returns Athens, his father Egee is died, so he takes control of the land as a king and moves to other Conquests.

After a while he moves to fight Amazones and conquers them and marries with a woman who had been captured. Hippólite was born from this marriage. Then he marries phèdre sister of his first wife Ariane and based on other narrative, kidnaps her. Phèdre is captivated by young Hippólite love and as she fails , and hangs herself . Hippólite whose mother was King Lady of Amazons lives in The court of his grandfather, Pitthee, and Spends all his time to acquire knowledge or hunt. The Prince pride and righteousness and His indifference to love, arises Aphrodite’s hatred against him and decides to get revenge so places heart-rending love in phèdre’s heart and causes queen not to reach her need and collapses both. This myth is mentioned in Greek narratives. Euripide and Racine have spoken of this matter. But Racine’s tragedy issue and description of Hippólite are focused and then there will be a comparison with Siavash and Soodabeh. In Racine’s tragedy you can read:

Theseus has gone to a long journey and there is no news of him for a long time. Hippólite who is ignorant about him tries to move and find him. Phèdre who is in love with Hippólite becomes sick and discusses and explain this issue with her nursemaid Anon. Old nursemaid blames her sharply. Theseus death news reaches Athens and this issue makes easy the way for phèdre. She faces Hippólite and let him know about her interest on him, But the prince surprised at sinful request, loses his temper and ignores his father’s wife With contempt. Poor woman pleads insistently but Hippólite isn’t tractable. After Thesec. three people could be hired to his kingdom: Aricie princess-Hippólite’s mistress Who descended from King of Athens and is in Thesec’s jail, Hippólite whose mother is Lady of Amazons and another son who was born from the marriage of phèdre and Thesec and Is still young. Hippólite whose mother is foreigner can’t be easily replacement to his father.

Aricie is in jail so phedre’s son is one step forward and phèdre tries more and more to attract Hippólite and even is satisfied to ignore The right of the throne to her son and delivers the throne to the lover. Meanwhile they realize Thesec is alive and is on the way to Athens. Phèdre is worried as Hippólite is aware of her intention and humiliates her love. She is afraid of Hippólite to reveal her secret, so she asks her nursemaid who is Sly and loyal old woman. The nursemaid recommends her to accuse Hippólite to have intension on her so she must act in advance and introduce him as a guilty. First she decides to go to Thesec and confess to decrease the burden of her sin but jealous due to love of Hippólite causes to enjoy victim’s pain.

Hippólite defends himself, but it does not work on old king so the king makes fury and Sends him into exile and asks Neptun who has promised to meet his three requests to punish him. Hippólite moves to the exile and while his cart is moving near the sea, a horrible monster comes out of the water in the way of the horses by Neptune’s command.
Hyppolite scotches him deeply by his spear. Monster falls down in front of the horse’s feet and frightened horses move a way and ruin the cart. Hyppolite who falls on the ground seeks for the frightened horses so wounds severely and his body rips too. The king becomes aware of this happening and let Phedre know but before hearing the news, Phedre had drunken poison and died due to Envy , remorse and grief, accusing Hyppolite and love between Hyppolite and Aricie. Before dying confesses the fact to her husband and after a while she dies. (Islami Nadushan, 2008: 186-190)

5. The total Comparing of stories

As we can see, there are similarities between two Iranian and Greek stories but different methods were used in assertion, and plot two stories and growing them due to literary tradition of Iran and Europe( the same source:190)

5.1 The total similarities of the story

- At the beginning of both dramas, Bitter fate of characters is focused.
- The end of the both dramas lead to death and in two works, heroes’ death is mentioned.
- None of the heroes fights against the death.
- Both heroes have supporters and avengers.

5.2 The total differences of the story

- Siavash drama is not independent one in Shahnameh but Phedre and Hyppolite are two independent stories.
- Siavash is married, has a son to get revenge but Hyppolite is not married.
- In Siavash`s drama, Rostam gets revenge of Siavash out of his stepmother and in Hyppolite`s drama, a God is an avenger.
- In Siavash`s drama, bad fortune is cause of his death and in Hyppolite`s drama , Curse of a goddesses is cause of his death.
- In Sivash`s drama, stepmother dies after protagonist but in Hyppolite`s drama , Phedre dies before the protagonist.
- In Siavash`s drama, Rostam (His grower) has Physical presence but in Hyppolite`s drama just the name of (Pitthee) is mentioned.
- in Hyppolite`s drama, Gods have striking roles.

6. Characters comparisons

6.1 Siavash and Hyppolite

Siavash, good looking and good –natured hero, son of Kavoos is died Unjustly, Shahnameh Ever sad face characteristics in Shahnameh which was born with bad fortune. He is a hero who is born with special fate for special mission. (The same source:156) his life has three stages: the first stage is his childhood and astronomers prediction that he would have unfortunate destiny and due to this issue Rostam takes him away from Kavoos court and tries to grow him up. Positive perspectives of Rostam characteristics and his environment can be seen in Courage, shame, sobriety, patience and a faithful obviously. (Hamidian, 1998:285) Siavash learns combat ritual from the time greatest hero and Relationship makes between Master and Disciples through hero and young prince leads Rostam to be firm to get revenge of Siavash.

The second stage of Siavash’s life is when he returns to his father after passing seven years and love affair of Soodabeh( wife of Kavoos) against Siavash occurs in this stage. Siavash passes through fire safely and it proves his innocence. the third stage of Siavash`s life is when moves to Tooran (enemy land) to avoid ruse of soodabeh, becomes good friends with Afrasyab( king of Tooran) and marries her daughter and establishes (Siavashgerd).They live happily for long time until the day he faces Afrasyab’s brother ( Garsivaz) jealous and dies. Even though Soodabeh has role in killing him but she didn't have direct role to kill him.

Hyppolite is Thesecs son and Queen of the Amazon`s son who was born in Trerzene. He is illegitimate son of These that was mentioned in different parts of the drama. He is the main characteristic of the drama and was grown by Pitthee hero and Due to the mutiny against Aphrodite made her angry. He avoids sex and love and doesn’t want to marry.
and have sex with the other women and consistently praises Artemis. Due to this issue Aphrodite locates his love in Phedre’s heart and as there is no way to escape from, leads to their death. He is the symbol of Chastity, innocence and Promise Kept. He is indifferent to stepmother’s love, loyal to father and a person who is cursed by God’s anger.

6.2 Siavash and Hyppolite similarities

- Both are princes, good looking and elegant.
- Both have growers except their parents.
- Both are captivated by fate.
- Nothing is mentioned from their mother destinies.
- Both are Chaste and virtuous. Hyppolite is symbol of Independence and purity until it causes Aphrodite, God of love Anger and revenge. Siavash is so shy and chaste and even tries not to talk to the women.
- Both are faithful to the covenant and are peacemaker too. Siavash is. When logical as his father finds his wife’s Betrayal, tries to calm him down to forgive her. Of course if he did something else, surely the king would be angry at the son due to indiscretion to his faithful wife. Siavash decision suggests an interest that can be seen in Hyppolite in another way but with less intensity. Hyppolite who promised nursemaid not to Reveal Phedre’s Secret, first thinks of Perjury but after a while remembers his promise and thinks about the result and tries to keep the secret in his heart.
- Both are innocent of the charges and intend to leave the country.
- Both are killed innocently and their names remain as honourable people.
- Stepmothers are involved to kill both of them.
- A plant grows from Siavash’s blood and every year a ceremony holds To commemorate him. A ceremony holds to commemorate Hyppolite every year too.

6.3 Siavash and Hyppolite differences

- Hyppolite is Bastard while Siavash isn’t.
- Hyppolite’s Ominous fate is obvious, due to ignoring Aphrodite and disrespecting her, so she promises to eliminate him by trick but Siavash’s Ominous fate is not obvious.
- Hyppolite’s father has direct role in killing his son while Siavash’s father role in killing his son is not direct.
- Siavash leaves his land, gets married and dies in foreign land but Hyppolite dies in his land.
- Siavash’s death causes a war between two countries but Hyppolite’s death is The war between Gods.

7. Soodabeh and Pheder

Soodabeh Daughter of Hamavaran king is The Most Evil Woman of Shahnameh who is loyal to Kavoos at the beginning of the marriage and tries to release him from her father’s prison. She cries for her but in surprising paradox with previous features, falls in love with her stepson (Siavash) and grows forbidden love passionately in her heart and as she can’t achieve her goal, uses the trick and even moves forward to Siavash’s death. (Hamidian, 1998: 216)

Pheder is the main character of the story, Thesec’s wife who has 2 sons. She falls in love with her stepson by Aphordit’s trick. As she finds her reputation in danger, Intents to commit suicide but first she wants to get revenge and by writing fake letter causes Thesec to punish his son and it happens, Middle age woman, Beautiful, gentle and tender with a love which is not sensual. She is noble and his honour leads her to prefer death to dishonour. Characterization is different in two stories. In Ferdowsi’s Iranian story, he tries to focus on Soodabeh’s characteristic unfairly. She is the wife of Iran king. First he talks about Glory, courage and her husband companion and takes her to a peak. On the other hand, while she is in love with Siavash, he talks about her somehow that is unfair. In fact Ferdowsi’s main focus is on Siavash and due to this fact, he tries to mention Soodabeh’s positive characteristics and then he mentions her love hated.

It seems that poet Has denied permission to update Soodabeh’s character and replaced his conclusion, As though Soodabeh is a light person and her love process is summarized in several meetings while Pheder is challenging Death and Shame in a gruelling moral conflict. she knows well that she has fallen in forbidden love which there is no way to escape from while it doesn’t happen for Soodabeh. Readers are accompanying Pheder but they are opposing Soodabeh. By Pheder’s death, we are witnessing a crisis in play which occurs between Thesec and Hyppolite and is based on father’s Hasty and irrationality while the reason of Soodabeh’s death is Rostam’s revenge. Soodabeh’s characteristic is
extremely negative so she causes protagonist’s death by her lust but it is considerable to say that in fate game, she is the main characteristic to shift Siavash to his bad fortune, so we can consider her as fate’s toy.

7.1 Soodabeh and Pheder similarities

- Both are princess and women from strange lands who were the enemy of the their husband’s lands.
- Soodabeh is daughter of Hamavaran king and Kavoos invades and captures the mentioned one and Rostam releases that. Pheder is daughter of Minos, Crete’s king and Thesec invades him and conquers him. He marries his first girl (Ariane) then he robs another girl (Pheder) and marries her.
- Both are the king’s wives of their lands.
- Both are beautiful and middle aged.
- Both are step mothers and fall in love with the protagonists.
- Both accuse protagonists to rape For fear of scandal.
- Both have role in protagonist’s death and die themselves.
- Both have old nursemaids who help them to find solutions.

7.2 Soodabeh and Pheder differences

- Pheder is loyal to his husband, her love is not due to her lust and even when she hears the news of her husband’s death, expresses her love but Soodabeh expresses her love when her husband is alive.
- Pheder causes Hyppolite’s death directly by writing fake letter but Soodabeh’s hatred causes Siavash’s death in foreign land.
- Pheder dies due to Aphrodite trick but Soodabeh dies due to Rostam’s revenge.
- Racine considered Pheder as honourable lady and her name is reputable but Ferdowsi considered Soodabeh as capricious, Heartless and shameless person.
- Pheder is pale and her beauty is glorious of a queen but Soodabeh seems to be healthy and succulent and her beauty is warm and appealing.
- Pheder is unfortunate and pitiable woman. She is benevolence and honest but she has to tell lie. Committing suicide is symbol of her decency and goodness to release herself from regret and agony but when Soodabeh becomes disappointed to have friendship with Siavash, hates Siavash and tries to kill him. When Siavash is going to pass the fire, she hopes him to be burnt.

8. Kavoos and Thesec

Iranian king (Kavoos) who is lover of his wife (Soodabeh) and this love causes disaster and Misfortune. His character Instability is surprising. In the story of Siavash and Soodabeh just listens to assertions of Soodabeh and Siavash illogically and oscillates between them and while he realizes that his son is right, again Soodabeh’s Beauty and seditious gestures undermine his decision. (The same source: 314) he isn’t decisive so much and it bothers Siavash. even though Siavash passage through fire is evidence of his innocence but as we can see Kavoos kills Siavash, even if he dies by Afrasyab. In Hyppolite story, but Proud and defiant Thesec hears the Accusations of treason, sends him to exile without any research and he has direct role in killing his son.

8.1 Kavoos and Thesec similarities

- Both are popular, strong, Light-headed, angry kings who are lover of their wives and impatient for them.
- Both are the fathers of stories protagonists and their children’s fate captives Them.
- Both have the main role in killing their sons and both cry after their death.

8.2 Kavoos and Thesec differences

- Thesec has direct role in killing his son but Kavoos kills his son indirectly by Instability and mutability and naivety.
9. Conclusion

Lots of myths and stories can be found among different nations with shared contents and comparative study of the form and content causes familiarization with Traditions and histories of each tribe or their new culture and also causes structural recognition of these myths and stories.

By taking look at selected works, we can mention following points:

Beauty and warlike features are the main features of stories’ protagonists which are mentioned many times in Ferdowsi’s story and these features are the necessities of making such situation to be believable. Of course none of these features are mentioned about Hyppolite because Aphrodite places The charm of this sinful love in Pheder’s heart and she had not chosen such love on her own so Hyppolite’s beauty isn’t as an factor to tempt Pheder and this love actually is a talisman which is imposed by Gods. Another considerable point is Difference in age and social status between the hero and the woman that is fascinated and this is the key factor of stories. The woman is more effective than the protagonist and has husband who has right on the protagonist. Of course this is not only a pretext to prohibit impure love, but also an excuse to show the power of the patriarchal system.

One of the key elements of such an inseparable part of the stories of legends and myths is hero familiarization with a master. Siavash and Hyppolite both pass their childhood under the supervision of their masters before starting their love’s challenges. One of the usual techniques of Romances is using nursemaids and maid of honours for informing, but in these stories, existent love is sinful and contrary to norms love so the role of nursemiaids and maid of honours change. In Siavash’s story the role of Wizard woman who accepts the order of Soodabeh and also role of nursemaid in Hyppolite’s story who is going to deliver bad news which is supposed to be hidden with the attached oath to Hyppolite has changed so much Than his function.

Another subtle point about this story is that almost the hero’s Fathers are Special characters and the owner of Metaphysical powers. Thesec is son of Poseidon (God of oceans). According to mythology and what Aphrodite asserts at the beginning of the show, in monologues, Poseidon promised Thesec to fulfill his three wishes every time he wants. In spite of that Thesec is a brave commander- in - chief and adventurous king. Also Kavoos, Siavash’s father has striking characteristics and his Splendour of the Divine is mentioned many times in Shahnahmeh.

Another point is about the mother of the protagonist because there is no info about their destinies. Lack of character as the hero’s mother, is their striking characteristics and is the common point of both of them. Travel is an important practice that all the heroes are imposed to do that. Thesec supposes Hyppolite wanted to Encroach up to his wife , so sends him to exile as he thinks , Hyppolite has role in Pheder’s death . As Siavash after peaces Afrasyab , his father Reprimands him and sends him to fight Afrasyab but as Siavash doesn’t like to do Perjury, moves to Tooran.

Protagonist due to having pure heart and kindness has close relationship with nature and natural elements compromise him. Of course this is not always the rule because Hyppolite strong point in ridding horse causes his death. Amazing point is that protagonist is observed through fire or sea in most of the myths and Siavash passes the fire healthfully.

Ferdowsi Moral and spiritual message Through the Ages always addresses us and always seeks us the behaviour which is not easily acceptable in up and down and obstacles of life and Provisions that offer organized events. He praises the people who have achieved the effects of moral values. (Meskooob 2010: page 119)

A drama which is created by Racine is based on virtue. Even thinking about crime is disgusting as well as the crime. Lover is in the border decisive selection and is always grappling with the idea of death and suicide to rid them of sin. However decision fades in love and just love presents as incurable pain. The issue that lovers judge their doings and hate themselves is an ethical value that is a laudable. What can be concluded from both fictions are fate governing and the issue that people can’t change the destiny and are imposed from the birthday.

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The Lack of Health Education and Toxoplasmosis (Zoonotic) that Can Risk both the Fetus and Mother Health

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Abstract

Toxoplasmosis is a disease that presents a really great risk. It is the word about the most diffuse zoonosis in the world. Toxoplasmosis "Gondi" produces oocysts in the intestines of cats. The oocysts are egg cells too resistant that are released in the outer environment and present the infecting agent. This infecting agent can be taken directly by people with unwashed hands. As well as the ingestion by other animals that can form cysts which stay for months and years in their muscles. Even if the meat of these animals becomes an infection source or it is consumed without being well thermally processed. Touching the meat without gloves by the pregnant women, especially in the first trimester of pregnancy is another transmission method that brings consequences for the fetus, in the 25% of the cases. The aim of the study is the identification of the problems and health education. Material and method: The type of the study: descriptive, the direction of the study retrospective. There were analyzed the medical files of the patients in the gynecology ward of the maternity of Korca. There were analyzed the complications. Interviews were conducted for the health education level of the population. Conclusions and results: The poor health education.

Keywords: Toxoplasmosis, abortions, malformations, strabismus, blindness.

1. Introduction

Toxoplasma is an infection which can bring to toxoplasmosis, and can be transmitted by cats to humans, the greatest danger is for pregnant women. That among many malformations analyzed below can bring abortion. As well as cats it can touch mamals and birds too and is caused by a parasite called Toxoplasma gondii. The fully developed disease is rare while the toxoplasma infection is very common. Its importance consists in the fact that humans as well as other warm-blooded animals can get it. Toxoplasma infection can be transmitted to humans by domestic, wild, and feral cats. The disease toxoplasmosis is caused by the microscopic protozoa Toxoplasma gondii. This disease is spread all over the world. According to some estimates around 30% of the world population is infected. For example, in Germany and France most people carry the parasite, whereas in South Korea it is quite rare. While 60 million people in the United States are said to be infected. Toxoplasmosis is commonly without symptoms, because our immune system keeps the parasite from causing illness. To people with weakened immune and pregnant women it appears more problematic. The primary hosts appear to be cats while humans and warm-blooded animals the intermediate ones. Considering this Toxoplasma gondii is not a pure human parasite.

Toxoplasma gondii is famous to change the host’s behavior. Studies show that this parasite can make rats fearless near cats. This indicates the latest need for Toxoplasma gondii to get inside felines. The parasite enter the primary host while a rat is eaten by a cat. There have been a few studies with humans, too. Some results talk about a strong connection between schizophrenia and toxoplasmosis. Studies have shown that as a result of this parasite humans react more slowly. Some other studies show that women that have the parasite have a greater probability to cheat their husbands. Whereas men become more aggressive.

Humans get infected by:

- blood transfusion or organ transplantation (rarely)
- ingesting water or anything else that has been contaminated with cat feces
- consuming undercooked and infected meat (especially lamb, pork and venison)
- mother-to-child transmission. A pregnant woman, who has just been infected with Toxoplasma gondii can pass the infection to the fetus (congenital infection). Even though she might not have the symptoms the unborn baby may came in life and suffer from that disease.
The life cycle of *Toxoplasma gondii* starts, when the resting form of the parasite-oocyst exit the primary host (cat) in the feces. Millions of oocysts are shed for as long as three weeks after infection. Only after a few days in the environment these become infective. These oocysts exist only in the feces of cats, both domestic and wild. Then when the water gets contaminated with these feces and is ingested by birds, humans or other intermediate hosts, they get the infection. (Healthy cats can get infected this way, too.) In the gut oocysts transform into tachyzoites which are about 4–8 µm long and 2–3 µm wide. They travel to other parts of the body via bloodstream and further develop into tissue cyst bradyzoites in muscle and neural tissue. The diameter of the cysts is about 5–50 µm. They are commonly found in skeletal muscles, myocardium, brain and eyes where they can remain many decades. If a cat (or a human) eats the intermediate host, the tissue cysts get ingested and the parasite activates in the small intestine. People who are infected by this parasite may not have symptoms and this occurs because their immune system may keep these parasites from causing illness. 10–20% of patients develop sore lymph nodes, muscle pains as well as other light symptoms that can last for weeks and then disappear (acute toxoplasmosis). The parasites remain in the body as tissue cysts (bradyzoites) and reactivate, if the person becomes immunosuppressed by other diseases or by immunosuppressive drugs. Usually if a woman has been infected before becoming pregnant, the unborn baby is safe because the mother has developed immunity. If a woman is pregnant and becomes infected with toxoplasmosis during or right before pregnancy, she can transmit the disease to her unborn child (congenital transmission). The effects are bigger if this transmission occurs earlier. And during all the period that the pregnancy goes on the infection continue to develop. This occurs as the result of the penetrability of the placenta. Symptoms might include:

- miscarriage or stillborn baby
- baby with brain or eye damage.
- baby born with signs of toxoplasmosis such as abnormal enlargement or smallness of the head
- It is the risk that even though at the very beginning the baby doesn’t have any symptom, he can develop mental disability, vision loss and seizures later in life.

Congenital toxoplasmosis or infection after birth or rarely from acute toxoplasmosis as an adult can cause eye disease. According to the congenital infection eye lesions do not appear at birth but when the individual reach the adulthood, and this happens in 20-80% of the cases. In the restrict of Korca, Albania this occurs less than in 1% of the cases. The acute inflammatory lesion of the retina leaded by eye infection leaves retinochoroidal scarring. The symptoms of acute ocular toxoplasmosis:

- Eye pain
- Sensitivity to light-Photophobia
- Tearing of the eyes
- Redness of the eye
- Reduced vision

But the reactivation of the eye disease later in life can cause even more damage to the retina. Especially if there are damaged the central structures of the retina that cause a progressive vision loss. Whereas people with weakened
immune system may be more exposed to brain lesions, pneumonitis or retinochoroiditis, central nervous system disease among other risks. For example if we consider people with AIDS and renewed toxoplasmosis they may have symptoms such as:

- Fever
- Nausea
- Confusion
- Bad coordination
- Headaches
- Seizures

If a chronic toxoplasmosis reactivates in a pregnant woman that has a weakened immune who is infected before the pregnancy it might cause the congenital infection to the baby. The typical Toxoplasmosis diagnose is done by serologic tests by detecting immunoglobulin antibodies within several weeks of infection. Your health care provider examines your blood sample to find Toxoplasma-specific IgA, IgG or IgM antibodies. Living parasites can be also found in the sample (blood, cerebrospinal or other body fluids) but the process here becomes more complicated and difficult so this is not used. Direct observation of the parasite is possible in cerebrospinal fluid (CSF), stained tissue sections or other biopsy samples but these techniques are used less frequently due to their difficulty. A test that measures IgG determines if a person has been infected. If the person in examination is pregnant then here it is necessary to even determine the time of the infection. For this IgM is detected along with IgG avidity test. To detect Toxoplasma gondii DNA are use molecular techniques in the amniotic fluid in cases of congenital transmission. Ocular toxoplasmosis diagnosis is usually based on symptoms, appearance of lesions in the eye, serologic testing and course of the infection. Serologic tests can be unreliable in immunosuppressed patients. While as treatment to toxoplasmosis can serve combinations of pyrimethamine with either trisulfapyrimidines or sulfadiazine, plus folic acid in the form of leucovorin calcium to protect the bone marrow from the toxic effects of pyrimethamine. If this treatment causes hypersensitivity reaction, then pyrimethamine and clindamycin can be used instead. In case of unavailability of these drugs then a combination of sulfamethoxazole and trimethoprim can be used. Even though the pregnant women and babies can be treated the Toxoplasmosis gondii do not disappear completely. The parasites can remain within tissue cells in a less active stage (cyst) in locations difficult for the medication to get to. A drug called spiramycin is recommended during the first four months whereas sulfadizaine/pyrimethamine and folic acid for women that have been pregnant for more than four months. PCR (a method to discover parasite DNA) is often performed on the amniotic fluid to find out if the infant is infected. If the infant is likely to be infected, then treatment is done with drugs such as sulfadizaine, pyrimethamine and folic acid. Congenitally infected babies are treated with sulfonamide and pyrimethamine. While the treatment for persons with ocular disease depends on the size of the eye lesion, the characteristics (acute or chronic) and the location of the lesion. Persons with compromised immune systems (such as AIDS patients) need to be treated until their health improves significantly.

2. Methods and results

The survey is done by the medical personnel of Obsetric-Gynecology, Lab and Oculists. During the period 2009-2011. Through out questionnaires with suspected people was taken demographic and clinic data. Data about the serologic confirmation is taken in the laboratory of Korca restrict. The suspected and serologically confirmed newborns for Congenital Toxoplasmosis were treated clinically about one year. In the population of 342 pregnant women there were
examined the serum samples and tested for IgG, IgM and among them 170 women resulted positive about IgG, while 5 of
them (1.4 %) were positive for IGM. Six cases were presented with severe symptoms at birth. Chorioretinitis was the main
manifestation. The incidence was 0.1-1 for 1000 births (alive ones). The prevalence of the birth was 49% in 2009, 49.5%
in 2010 and 49% in 2011. Or 5 in 10000 births.

A probable case of CT was defined as a child <12 months of age with unexplained hepatosplenomegaly or
lymphadenopathy or any symptom of the classical triad (hydrocephalus, intracranial calcifications and chorioretinitis) and
the presence of Toxoplasma IgG antibodies, with maternal serological results compatible with confirmed infection during
pregnancy) or any asymptomatic infant <12 months of age with high levels of Toxoplasma IgG (>300 IU /ml) and
maternal serology compatible with Toxoplasma infection during pregnancy.

3. Recommendations

- Restrict your pet cats from being in touch with rodents and birds, and give them only cooked meat, commercially
  prepared cat food, and pasteurized dairy products. Don’t allow them to get food in garbage cans.
- Transmission of oocysts present in litter boxes or garden soil and anywhere cats may defecate can be avoided
  by wearing rubber gloves during contact with contaminated soil or litter.
- Wash your hands thoroughly after contact. Cover sandboxes to prevent cats from defecating in them. Get rid of
  feces from litter boxes every day, and disinfect them with hot water or dry heat; chemical disinfection is not
  effective in destroying oocysts
- During a present pregnancy or a planned one soon, casts must be tested for antibodies to Toxoplasma. Don't
  handle litter boxes. Stay away from free-roaming cats as they have the largest risk to be contaminated with
  oocysts. Be careful in way that any outdoor car doesn't get in contact with bedclothes and any furnishings in
  use. Don't handle a cat that seems ill. Wash uncooked vegetables thoroughly before eating. Wash hands
  thoroughly with soap and water after contact with soil and cats.
- To avoid these and other risks it is recommended health education by preconception advice.

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Pluralism, Consensus and the Ambiguities of Multiculturalism

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Abstract

Multiculturalism and the attempt to accommodate cultural diversity have been questioned from different fronts. On the one hand, political criticism, based on “fear” and “anxiety” about “others” combined with emphasis on national identity has characterised the political agenda in terms of security in Europe. On the other hand, philosophical criticism questioned concepts such as “identity politics”, the “politics of recognition” and the “politics of difference” which aim to emphasise the struggle of minorities. This position points out that multiculturalism seems to promote extreme diversity at the expenses of consent, a necessary condition for governing. This has also exposed the general assumption that accommodating ethnic and religious minorities, in the light of plurality of values and interests, is central to liberal democracies thus uncovering the difficulty of achieving political consensus in increasing culturally diverse societies. Within this context, this work will first explore concepts such as “identity politics”, the “politics of recognition” and the “politics of difference” in relation to the assumption that to achieve a consensus based on cultural difference may undermine civil consensus. Moreover, focus on identity and culture diverts from economic justice undermining multiracial class solidarity. Secondly, in order to determine the ambiguity of consensus and pluralism, this work will explore the work of John Rawls and Jean Françoise Lyotard. In their works, it is implied that modern societies are characterised by innumerable narratives and doctrines making them pluralistic. This conjecture is common in both thinkers, but for the former it is a positive result of the development of civil society where consensus is attainable, for the latter any form of consensus is to be avoided because can be a tool for political authority. This contradiction points out that a form of consensus is needed to achieve a politics of social and political cohesion within society but at the same time it warns about the danger of a dominant culture and the threat of exclusion.

1. Introduction

Multiculturalism and the attempt to accommodate cultural diversity have been questioned from different fronts. Tensions between minority groups and state authority in various European cities have characterised the first decade of the 21st Century. Political criticism, based on “fear” and “anxiety” about “others” and on national identity and solidarity, has been the most challenging. These issues have risen when economic conditions have been characterised by economic crisis fuelling alleged threats of security and national identity. In Europe, minorities in general and in particular Muslim minorities have come under increased monitoring and tougher border control. This has questioned the general assumption that accommodating ethnic and religious minorities in the light of plurality of values and interests, is central to liberal democracies thus exposing the difficulty of achieving political consensus in increasingly culturally diverse societies. In the philosophical sphere, multiculturalism in the forms of “identity politics”, the “politics of recognition” and the “politics of difference” which aim to emphasise the struggle of minority groups, have been questioned by different critiques.

1 2001 in Northern England, civil unrest in France in 2005, the “terrorist” events in the United States in 2001 in Spain in 2004 and in Britain 2005, and also the tensions for the building of mosques in Italy, France, Germany and Greece.
2 In 2010 Angela Merkel the German Chancellor stated that multiculturalism had “utterly failed”, arguing for a stronger acceptance of German cultural values and knowledge of the German language. Similarly, in 2011 Nicolas Sarkozy declared that there had been more concentration on the identity of immigrants rather than about the identity of the receiving country. Australia’s former Prime Minister John Howard and former Spanish Prime Minister Jose Maria Aznar have also in recent months said multicultural policies have not successfully integrated immigrants. David Cameron Britain must adopt a policy of “muscular liberalism” to enforce the values of equality, law and freedom of speech across all parts of society.

http://www.telegraph.co.uk/news/worldnews/europe/france/8317497/Nicolas-Sarkozy-declares-multiculturalism-had-failed.html
http://www.independent.co.uk/news/uk/politics/cameron-my-war-on-multiculturalism-2205074.html

* These concepts will be cited interchangeably.
Some argues that we live in a world were cultures are not self-contained units but the world, due to technology, economy, trade, is more characterised by cosmopolitanism (Waldron 1995). Others argue that rights should be given only to individuals and not to groups. If the state gives rights to groups it fails to secure civility and individual rights (Kukathas 1995). Another criticism emphasises the politics of redistribution, seeking economic restructuring, over the politics of recognition where the key to equality is cultural and symbolic change (Fraser and Honneth 2003). The concern is that focus on identity and culture diverts from economic justice undermining multiracial class solidarity. These positions point out that multiculturalism seem to promote extreme pluralism at the expenses of consensus as a necessary condition for governing.

In these debates it is suggested that to achieve a consensus based on cultural difference may undermine civil consensus. This means that to embark on a policy of difference may undermine a politics of social and political cohesion within society. Within this context, this work will first explore concepts such as “identity politics”, the “politics of recognition” and the “politics of difference” in relation to the assumption that to achieve a consensus based on cultural difference may undermine civil consensus. Moreover, focus on identity and culture diverts from economic justice undermining multiracial class solidarity. Secondly, in order to expose the ambiguity of consensus and pluralism, this work will explore the work of John Rawls and Jean Françoise Lyotard. In their works, it is implied that modern societies are characterised by innumerable narratives and doctrines making them pluralistic. This conjecture is common in both thinkers, but for the former it is a positive result of the development of civil society where consensus is attainable, for the latter any form of consensus is to be avoided because can be a tool for political authority.

2. Liberalism and multiculturalism

Concepts, such “identity politics”, the “politics of recognition” and the “politics of difference” are closely related to the notion of multiculturalism and refer to theories and policies which acknowledge certain injustices suffered by member of social groups. Their main purpose can be seen as an implicit and an explicit critique of liberalism and of the norm of equality which makes similar treatment as an ideal, thus, the shift is not only from the protection of individual liberty but also from the Enlightenment ideals of human equality and similarity. The criticism of such ideals is based on the belief that in cultural diverse societies individuals may be required to be treated differently by allowing exceptions or regulating activity which undermine or promote cultural minorities. In some cases state neutrality covers up ways in which the state favours majorities in terms of culture, nation or, language. This means the recognition of social power which does not rest in the control of the state but that disadvantages minorities. In this way, multiculturalism as such, expands the understanding of how power functions and how it prevents the state to develop justice in culturally diverse societies.

The philosophical literature which reinforces the critique of liberalism then is based on the nature and origin of identities subjected to discrimination. This means that identity, as a member of an ethnic minority, places one in an unfair position in relation to cultural dominance, discrimination, violence, and marginalization. Moreover, multiculturalism considers ‘oppression’ and from there it proposes the transformation of set interpretations of group membership. Instead of accepting the dogmatism of the dominant culture there is the conscious transformation of sense of the self and community.

The philosophical discussion of the concept of identity raises theoretical questions ‘about the sense of the self’ and about ‘the nature of subjectivity and the self’ (Taylor 1989). Taylor maintains that the ‘modern identity’ has the capacity for ‘authenticity’ which means the ability of being true to oneself. The politics of difference has taken the concept of authenticity to describe ways of living which are related to identities of marginalised social groups. The difference with previous approaches is the demand for recognition on the basis on which recognition had previously been denied since the demand is not about inclusion in a universal understanding of humankind but respect for the difference of someone

3 These political movements in America were feminist, Black Civil Rights, American Indian movements. In Europe such movements were related to the claims of linguistic minorities.

4 Although liberalism itself rose as a philosophy in response to issues of diversity and particularly to the religious wars of 16th and 17th century in Europe, originating the division between church and state. Will Kymlicka identifies three main stages of the history of debate about minority rights. In the first stage, minority rights within the communitarian debate and rejection of individualism in favour of collectivism. The second stage is characterised by the belief that minority rights could be defended within the liberal framework. A third stage, minority rights are seen as a response to nation-building. This means that the liberal state has not been neutral in relation to cultural issues but it has been engaged in nation-building. In this case minority rights are thought to be necessary in specific historical and political contexts (Laden and Owen 2007).
(Taiaiake Alfred 1999). Important to multiculturalism is that individuals share the same political experience. Individual perception of their own interests may be distorted and may be freed of their misconceptions by group based transformations. For example, the theoretical meaning of a particular experience may be different from the meaning attributed by the subject; such dislocations are understood under the concept of false consciousness.

Problems with these aspects of multiculturalism focus on the fact that experience is never available prior to interpretation but it require a theoretical framework to give meaning (Song 2010). This means that belonging to a certain group makes a person qualified to that political decision based on what we are, but it can be objected that political decisions should be informed by values and principles rather than identities. Also, if experience is the origin of politics, political perspectives gain legitimacy by virtue of their articulation by subjects of particular experiences. This however, prevents the possibility of critique of these perspectives by those who do not share the experience which in turns impedes political consensus and coalition building.

Furthermore, liberal Universalists hold that issues raised by cultural diversity do not require the exclusion of universal political theories and universal liberal principles. For instance, Brian Berry (2007) maintains liberal universalism on the basis that cultural diversity should be ignored by political theory and regarded as personal tastes. Simon Caney claims that political claims made by cultural minorities can be accommodated within universal political theory. Caney adopts a universalistic approach that any less robust defence of rights is incoherent. Iris Young (2007) and Charles Mills (2007) argue that focus on the politics of difference ‘obscured structural inequality’⁵.

Such critiques of multiculturalism led thinkers to regard it as essentialist. Firstly, the understanding of the subject gives priority to identity and second, generalizations made about particular social groups in the context of identity politics make cultures separately closed and internally uniform, dictating the self-understanding that its members should have. In these debates it is also possible to recognize that to achieve a consensus based on cultural difference may undermine civil consensus. This means that to take on a policy of difference may undermine a politics of social and political cohesion within society.

3. Consensus and plurality in Rawls and Lyotard.

In the light of these considerations, this section considers the positions of John Rawls and Françoise Lyotard on consensus in plural societies. The publication of John Rawls’ A Theory of Justice diverted the focus on migration and cultural diversity (Owen 2007:5) and Lyotard’s commitment has often being employed to expose the insurmountable barrier of difference. In their works, it is implied that modern societies are characterised by innumerable narratives and doctrines making them pluralistic. This assumption is common in both thinkers, but for the former it is a positive factor as the result of the development of civil society where consensus is attainable, for the latter, any form of consensus is to be avoided because can be a tool for cultural and political dominance. Rawls develops a conception of agreement which seeks to overcome fundamental differences of the notion of the ‘good’ since justice is only attainable when an established understanding of the political good is agreed by individuals within a polity. This agreement which takes the form of a contract requires the autonomy of individuals who can determine interests and ends according to their political needs. On the other hand, Lyotard shows the commitment to avoid absolute moral principles. In fact, Lyotard questions the role of language and argue that the distinct nature of language games characterises the function of language and therefore justice becomes the recognition of differences rather than the attempt to unify them. The original position exposed in Rawls and the notion of obligation in Lyotard, form the basis from which prescriptions are possible to be made and also provide the possible point of contrast since Lyotard, contrary to Rawls, argues that ‘there is no community of ethical phrases.

In A Theory of Justice, the Kantian concept of autonomy is central to the formulation of Rawls’ concept of justice since it allows the individual to be an autonomous chooser of moral ends. From the outset Rawls relies on the notion that the individual acts autonomously because the principles for her/his actions are chosen as the characteristics of a ‘free rational beings’. Rawls needs this starting point to ensure that individuals in the ‘original position’ would not follow a ‘plan that views the sense of justice as but one desire to be weighed against others’ (Rawls 1972:86). In constructing these presuppositions Rawls wants to eliminate conflicts that exist within individuals by arguing that it would be ‘reasonable’ for individuals to recognise justice as the first and fundamental value and that the principles of justice are within the capability

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⁵ Young’s politics of ‘positional difference’ is concerned with groups which are formed as a result of social hierarchies, like the social division of labour, the power to decide institutional actions and the construction of social norms.
of rational minds. Here Rawls shows that the individual is prior to society and that the latter does not influence the choices about justice.

In *Justice as Fairness: A Restatement* (2001) Rawls employs the ‘original position’ as an hypothetical space, which is not a temporal nor a body of people but is delineated by reasoning agents operating within ‘modelled constraints’ and ‘led by the same judgment as to which principles to adopt’. From this deduction, the original position therefore, serves mainly two purposes for assuring that justice can provide a ‘fair argument’. The first is to grant the ‘fair conditions’ where ‘free and equal persons’ can find an agreement in order to co-operate fairly. The second works as a restrictive device since, through representation, it puts forward certain principles of justice and rejects others based on ‘acceptable restrictions’. Rawls points out that the original position, by allowing different assumptions, locates the implications of other concepts of justice so they can be scrutinised with the intent to put forward the basis for a ‘political conception of justice’. Constrains which delineate the original position and constitute a political body are governed by ‘the same judgment as to which principles to adopt’. To achieve this preliminary condition Rawls formulates another fundamental device, ‘the veil of ignorance’. This concept ensures that parties are guided by the same ‘body of general facts’ and by the same judgment in order to reach unanimous agreement. This is achieved by limiting the parties to the same understandings of social theory and under the circumstances of justice which make a liberal democracy possible.

Behind the veil of ignorance parties would not know their place in society in terms of abilities or intelligence, class position and social status, race, religion, gender, political beliefs, so that they would not recognise different conceptions of the good (‘justice objective and subjective’ and ‘making a constitutional democracy possible obtain’) (Sterba 2003:108). The veil of ignorance overcomes these fundamental differences by offering advantages to all the competing parties and allowing them the same opportunity to choose principles of justice. This will place them in a symmetrical position and following the principle of equity, equality would also be symmetric and therefore in correct proportion. Crucial for Rawls’ theory is that parties are rational so that they can position their ends consistently and can also adopt the most effective means to advance those ends. Here the veil of ignorance helps to decide which grounds can be adopted in the original position, since parties do not have any cognition of concepts of the good and their social position. To facilitate this decision, Rawls maintains that there is the need to introduce the idea of ‘primary goods’ which are things that people need as ‘citizens’ and not as ‘human beings’ or in other words the grounds for justice are political rather than moral to specify the ‘two principles of justice’.

The principles of justice are set up to regulate social and economic inequalities and to ensure basic rights and liberties. The first principle states that liberties are the same for every one and the second that social and economic inequalities have to satisfy certain conditions. This requires institutions and implications for rights and duties for distributive justice to work in a way which allows equal access to all in offices and expectation will determine the function of these institutions. The expectations of any position depends on the expectation of others and ultimately on the established rights and duties which make constitutional democracy possible to obtain.

This brief account of Rawls’ seeks to justify inequalities within liberal democracies as long as there is enough to improve the worse off in society. Rawls’ account also collocates him within the pragmatic tradition since his account on justice is not about how the ‘good’ should be determined but how individuals within a democratic society have the possibility to access the opportunities in terms of economic status or position in public office. Nevertheless, this is only possible if differences which constitute the social order are ignored, as in a hypothetical state of nature, where what can be regarded as universal is the rationality of individuals and their determination to seek justice in order to preserve the existing status quo. It can also be argued that with increasing economic interrelations together with growing relations in the field of information, political judgment has to account for more than maintaining the status quo of the better off, but also for the repercussion that such implications have on less equipped communities. It is perhaps in this context that a different reading may help to reflect a bit further on its meaning whose legitimacy rest on the liberal tradition and institutions which constitute liberal democracies.

In fact, for Lyotard this understanding of justice does not take into account ‘differences’ which exist in society and therefore, any attempt to ignore them would be ‘unjust’. Instead, justice should consider the incommensurability of differences and precisely his ‘pagan’ philosophy is characterised by a radical concern for pluralism or as he puts it, the recognition for the ‘multiplicity of language games’ as opposed to universality (Lyotard 1979).

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6 In this work ‘the principles of justice’ are justified by ‘two fundamental comparisons’. In *A Theory of Justice* the principles of justice relied on the ‘maximin strategy’. 
Lytard’s ‘reformulation’ rests on the critique of the modern understanding of justice which, following Plato, requires a stable structure of judgment. He argues that traditionally, the distribution of goods in society is just, if it conforms to the idea of justice as an ‘essence’ stated by the ‘philosopher who can determine the meaning’ of what is just. Justice, therefore, in a Platonic sense, ‘implies the representation of something that is absent’, something that lacks in society and must be restored. Justice also requires a statement which is ‘true’ and which ‘subordinates the social practice of justice to itself’. This is characteristic of the Western political tradition which can be also seen in Marxism since ‘a correct analysis’ can tell us the distribution of goods and provide legitimacy for a ‘communist distribution of goods’.

Justice in the liberal and Marxist tradition is, therefore, constituted of two assumptions. That there is a theoretical procedure to determine what is lacking in society in order to be good and that there is a set of discourses which prescribes it. For Lyotard the problem is that these two notions differ since the ‘prescriptive’ is derived from the ‘descriptive’ (Lyotard 1996:19-22). Following Aristotle, Lyotard argues that prescriptive and descriptive statements do not belong to the same class. On the contrary, there is incommensurability between the two, since they are not proportional and therefore the ‘just’ cannot be derived from the ‘true’. Similarly in political thought justifications of just action, in terms of distribution, show limitations because there cannot be justifications in a denotative statement. Plato maintained that if one has a just view of ‘being’ it can be translated into a true understanding of social organisation and also of just distribution. But for Lyotard a prescription can be just only if the addressee can put itself in the position of the sender so that the ‘command’ can be legitimated (Lyotard:1996:23; 1988:108). The passage from the true to the just shows, in Lyotard’s view, a problem which characterize the role of intellectuals in Western tradition and which also shows the difficulty to legitimise political discourse and ultimately justice. This difficulty leads to the assumption that the question of justice cannot be resolved by a ‘just’ constitution and that we cannot envisage a model of a just society. Justice in this sense becomes the refusal of any criteria that entails prescriptions and consequently it implies that there is no grand narrative which can capture the complexity of events and provide the basis for judgment to ground political and ethical decisions in all situations.

The other concern for Lyotard, which reinforces his claims against criteria in favour of pluralism, is the fact that justice in the modern sense gives priority to the moral autonomy of the subject. Lyotard argues that this attitude, particular to modern discourse, shows another problematic because the subject is at the same time ‘the sender and receiver’ of the law which constitute the moral requirements for justice. This formulation of ethical judgments is mainly characteristic of Kant’s Critique of Pure Reason in which the notion of the ‘categorical imperative’ provides the individual with the faculty to formulate autonomous moral judgments.

This interpretation is characterized by a determination to explore the question of legitimacy within political discourse and an interest in language as the vehicle to represent such legitimacy. It is important here to note that for Lyotard any formulation of principles which may determine what justice is cannot derive from discourses which disallow other discourses to be part of the political arena. This entails that there cannot be bridges, in the form of ‘metanarratives’, between prescriptive and descriptive genres because it would be totalising different aspects of phrases as shown in the critique of Plato or Marx. It is this incommensurability of genres which Lyotard wants to preserve from a discourse which is totalising and justice in this way takes the form of a commitment to acknowledge the boundaries within genres and to preserve the integrity of genres that are wronged by the conflict with other genres.

4. Conclusion

The setback between the inclusive character of liberalism and the plural aspect multiculturalism exposed the limit of the liberal state to include ethnic and religious minorities as well as the boundaries of multicultural policies to address issues of diversity and integration. At theoretical and political level, the debate has been between cultural and civic recognition and at the same time, a recurrence of universalism and national identity in a time when we witness a decline of the nation as cultural entity. The politics of multiculturalism seeks to promote cultural diversity and to prevent ethnic and religious discrimination, and similarly, pluralism and tolerance have been the values of liberalism. The development of the politics of difference was nevertheless, a rejection of the liberal values of equality, characteristic of the Enlightenment this time regarded as the perpetrator of totalitarianism.

It is within this debate that the paradox of consensus and pluralism arises within the theories of multiculturalism. Objections are about the boundaries that multiculturalism delineates within different cultural groups and by the notion of political experience based on identity rather than values. This is precisely what Rawls elaborates in his conception of distributive justice. He develops a conception of the good by eliminating all the differences that exist in the pluralistic society by appealing to the classic liberal concept of individual autonomy and ethical symmetry between individuals. This is in a way the continuation of the core values of the Enlightenment project and at the same time, the effort to create the
condition where political consensus can be achieved. To juxtapose this liberal approach to tackle the experience of pluralism, the multicultural approach in its extreme representation can be interpreted in the works of Lyotard. He, contrary to what Rawls elaborates, seeks to maintain the pluralistic character of societies, because the danger of a totalitarian politics is precisely the attainment of consensus. For Lyotard, justice is indeed the acknowledgment of differences and if understood as a concept which should not advantage one group over another, it should not be the interpretation of a particular community especially if the claims for justice are validated by the function of knowledge as a legitimising tool to provide universal recognition. This contradiction points out that a form of consensus is needed to achieve a politics of social and political cohesion within society but at the same time it warns about the danger of a dominant culture and the threat of exclusion. This ambiguity can be understood between consensus and plurality: the search for a new metanarrative in a modern sense and at the same time the awareness of the danger of absolutism as a balance between the modern enthusiasm and nihilism.

References:

European Integration Process: Where is Albania?

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Abstract

The European integration process has, for more than two decades, represented a vital issue for Albania. This process has been evolving gradually and Albania is currently working towards receiving ‘candidate country’ status, subject to the fulfillment of key measures identified in the 2012 Albania Progress Report. This latest assessment is being carried out primarily according to the Copenhagen criteria: economic, political and acquis communautaire, those important for EU membership. Upon fulfillment and granting of candidate status, the next steps would be EMU and introduction of the euro. This is related to the Maastricht criteria fulfillment (convergence criteria) and would entail the following: price stability, exchange rate stability, fiscal criteria and long-term interest rate criteria. The main purpose of this paper is to consider how Albanian macroeconomic indicators comply with Maastricht criteria, and also to assess whether these indicators are methodologically harmonized and thus comparable to those of EU members. The paper also indicates the areas where progress is still needed in order to attain a favorable starting position for ERM II participation (after joining the EU).

Keywords: Albania, EU, convergence criteria, inflation criteria, ERM II

1. Introduction

The European integration process has, for more than two decades, represented a vital issue for Albania. This process has been evolving gradually and Albania is currently working towards receiving ‘candidate country’ status. This status is subject to the fulfillment of twelve key measures as identified by the 2012 Albanian Progress Report, which assesses the fulfillment based on the Copenhagen criteria: economic, political and acquis communautaire, all of which are crucial for European Union (EU) membership. Upon fulfillment and granting of candidate status, the next steps would be Economic and Monetary Union, and introduction of the euro. This is related to the Maastricht criteria fulfillment (convergence criteria), and would entail price stability, exchange rate stability, fiscal criteria and long-term interest rate criteria. It should be noted, however, that a unilateral introduction of the common currency would not suffice: the euro can be introduced only in agreement with EU member countries and only after the EU accession. Such agreement requires a two-year ERM II successful participation and the convergence criteria fulfillment. Given the dynamics and national aspirations, compliance of Albanian macroeconomic indicators with the Maastricht criteria gains significant research importance. Equally important is the matter of comparability: assessing whether these indicators are methodologically harmonized and thus comparable to those of the EU member states. Building on these two main aspects, this research paper will first assess the degree of Maastricht criteria fulfillment and progress conducted in achieving the preconditions for adoption of the euro. Following this, the paper will highlight the areas of intervention necessary on a macroeconomic and methodological level in order to ensure the comparability of domestic indicators with those of the EU. This study will be structured in four main parts. The first part provides a detailed description of the Copenhagen criteria and the Maastricht criteria, including a methodological harmonization analysis for each criterion; the second part of the paper focuses on the EU integration process of the Republic of Albania, highlighting the most important moments in EU-Albania relations. In the third part, the Maastricht criteria are analyzed in relation to the macroeconomic convergence of Albania.
with the EU. Finally, to conclude, the fourth part offers a summary of what has been achieved until now, and provides a number of recommendations on issues to consider for the future.

2. Two Groups of Criteria: Copenhagen and Maastricht Criteria

In the European integration process there are two important factors to consider: (i) criteria that a potential new member must fulfill in order to become a member country of the European Union (EU), and (ii) criteria that the member country must fulfill in order to adopt the euro as the national currency, or criteria to obtain full membership of the Economic and Monetary Union (EMU).

2.1 Copenhagen Criteria

After the fall of the Berlin Wall, Central and Eastern European countries showed their interest in joining the European Union. The European Council meeting in Copenhagen in June 1993 made an important decision, concluding that the “associated countries in Central and Eastern Europe that so desire shall become members of the European Union. Accession will take place as soon as an associated country is able to assume the obligations of membership by satisfying the economic and political conditions required”. The Copenhagen criteria (economic, legal and political) were joined by the Madrid criteria, based on which the candidate country must create the conditions for its integration through the adjustments of its administrative structures. According to the Copenhagen criteria, qualification for membership includes:

- Stability of institutions, guaranteeing democracy, the rule of law, human rights and the respect for and protection of minorities;
- Existence of a functioning market economy as well as the capacity to cope with competitive pressures and market forces within the Union;
- Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

2.2 Maastricht Criteria

In 1957, the Treaty of Rome established the European Economic Community (EEC) and the Treaty establishing the European Atomic Energy Community (EURATOM). Little of the Treaty concerned money, since the Bretton Woods System (which included Europe, North America and Japan) provided the international framework for currency stability. After the first signs of currency instability threatening international markets (German mark revaluation and French franc devaluation) economic and monetary union became an impetus goal at The Hague Summit in 1969. The Werner Report of 1970 represents the first official step towards the EMU proposing a three-step strategy within 10 years. This included stabilization and narrowing of the fluctuation margins between currencies of the member states, complete freedom of capital movements, and an irrevocable fixing of the exchange rates between the participating national currencies (Faulend, Loncarek, Curavic, & Sabic, 2005). In 1979, a European Monetary System was built on the concept of a stable but adjustable exchange rate defined in relation to the newly-created European Currency Unit (ECU). An exchange rate mechanism (ERM) was created which allowed fluctuations around central rates. Formally, the introduction of EMU dates to 1988, with the Delors Report which proposed the concrete stages of EMU. In order to achieve EMU, several amendments to the Treaty were necessary. This led to the Treaty on European Union, formally adopted by the Heads of State and Government at the Maastricht European Council in December 1991. The Treaty of Maastricht provided three stages for EMU: Stage 1 (from 1 July 1990 to 31 December 1993) – free movement of capital between member states; Stage 2 (from 1 January 1994 to 31 December 1998) – economic policies co-ordination and stronger central bank co-operation; Stage 3 (underway since 1 January 1999) – gradual introduction of the euro2 as the single European currency for the member states, and implementation of the common monetary policy by the European Central Bank. Participation

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1 The Werner Report (1970) took for granted fixed exchange rates to the US dollar. After the US dollar effectively floated, efforts to tie communities’ currencies more closely resulted in the “snake in the tunnel” mechanism for managing fluctuations of member currencies (the snake) inside narrow limits against the US dollar (the tunnel).

2 The 1995 Madrid European Council agreed on the name for the new currency – the euro – and set out the scenario for the transition to the single currency that would start on 1 January 1999.
in the third stage of EMU is subject to the fulfillment of the economic and legal convergence criteria laid down by the Treaty of Maastricht.

Price stability represents an important objective for most of the central banks, not only in the EU. Low and stable inflation is the main contribution that a central bank can make for the economy, an assessment generally accepted in literature, since it spurs economic activity and improves living standards (Feldstein, 1997; Akerlof, Dickens, & Perry, 1996). This criterion was firstly established in the early 1990s in order to align high-inflation countries, such as Italy and UK, with low-inflation countries, such as Germany and the Netherlands, prior to the introduction of the euro. The first indent of Article 140(1) of the Treaty requires “the achievement of a high degree of price stability; this will be apparent from a rate of inflation which is close to that of, at most, the three best performing Member States in terms of price stability”. Article 1 of the Protocol on the convergence criteria further states that “the criterion on price stability referred to in the first indent of Article 140(1) of the Treaty on the Functioning of the European Union shall mean that a Member State has a price performance that is sustainable and an average rate of inflation, observed over a period of one year before the examination, that does not exceed by more than 1½ percentage points of that of, at most, the three best performing Member States in terms of price stability. Inflation shall be measured by means of the consumer price index on a comparable basis taking into account differences in national definitions”. The average inflation rate is measured by the percentage change in the unweighted arithmetic average of the last 12 months’ indices relative to the unweighted arithmetic average of the 12 monthly indices of the previous period, rounded to one decimal place. Considering an average value of the three best performing states (opposed to a fixed value) allows consideration of the effects on inflation rates across member states of common shocks. According to the Treaty, the concept of ‘best performer state’ is not clearly defined. In the 2004 Convergence Report, Lithuania was not considered among the best performing states in terms of inflation since it marked a negative inflation rate due to internal circumstances. In 2010, due to economic and financial crises, several countries experienced negative inflation rates. In this case Ireland was excluded from the best performers since its inflation rate deviated by a wide margin from the members states’ average inflation rate, mainly due to domestic economic downturn (Convergence Report, 2010). According to the protocol on the convergence criteria, the member state should not only have achieved price stability, but its performance in terms of price stability should be sustainable and maintainable after adoption of the euro. Furthermore, inflation developments in the country should be the result of factors affecting prices (such as costs, wages, productivity, administered prices, taxes, etc) rather than factors causing temporary price fluctuations (Brůha, Podpiera, & Polák, 2007).

Participation in the Economic and Monetary Union leaves no room for intervention in terms of monetary policy and exchange rate policy in order to respond to internal or external macroeconomic shocks. In this condition, the fiscal policy remains the only tool under a country’s control to implement and maintain the macroeconomic equilibrium. Given the importance of this policy tool, and given the current problems deriving from poor fiscal management (e.g. in Greece), public finance criteria have become crucial nowadays. Pursuing sound and sustainable fiscal policies has become the argument of the day, and debates on it are still taking place. The EU convergence criteria related to the government budgetary position are defined in the second indent of Article 140(1) of the Treaty, which requires “the sustainability of the government financial position; this will be apparent from having achieved a government budgetary position without a deficit that is excessive as determined in accordance with Article 126(6)”. Article 2 of the Protocol on the convergence criteria states that Article 140(1) of the Treaty stipulates that this criterion shall mean that “at the time of the examination the Member State is not the subject of a Council decision under Article 126(6) of the said Treaty that an excessive deficit exists”. To assess whether a member state has an excessive deficit two criteria for budgetary discipline are considered as set in Article 162(2): one on the fiscal deficit and the other on public debt. Concretely, as defined in the protocol on the excessive deficit procedure, the examination should be based on two criteria:

a) Whether the ratio of the planned or actual government deficit to GDP exceeds a reference value (specified in the Protocol as 3% of GDP), unless:
   • either the ratio has declined substantially and continuously and reached a level that comes close to the reference value; or, alternatively,
   • the excess over the reference value is only exceptional and temporary and the ratio remains close to the reference value;

3 Countries experiencing deflation are not considered as failing to meet the price stability criterion (Lithuania ECB Convergence Report, 2004). Also, best performer will be considering even a state with a negative inflation rate.
b) Whether the ratio of government debt to GDP exceeds a reference value (defined in the Protocol on the excessive deficit procedure as 60% of GDP), unless the ratio is sufficiently diminishing and approaching the reference value at a satisfactory pace.

The relationship between a government deficit at 3% of GDP and public debt at 60% does not seem clear at first sight. As shown in Szapáry & Orbán (2004), and Faulend et al. (2005), for a country with 3% to GDP government deficit and 5% to GDP nominal growth rate, in the long run the public debt will stabilize at the level of 60% of GDP. It is interesting to note that at the time the Maastricht criteria were designed, the average public debt to GDP of the member states was approximately 60%, and the potential growth rate was estimated at 5%. Nowadays, the discussion on the public finances criteria is still open since economic conditions have changed over time. In fact, older member states have lower potential economic growth rates, and new member states and future potential member states actually have higher potential economic growth rates. The latter must simultaneously pursue low budget deficits (3% of GDP), raising questions on the long-term 60% of GDP debt sustainability (Szapáry & Orbán, 2004). New member states and future member states with higher economic growth rates, in order to converge to "old member" standards, need to borrow more, and thus these criteria may sound somewhat inflexible.

Participation in EMU, like any other monetary union, entails technicalities such as the irrevocable fixing of member countries' exchange rates and elimination of cross-country exchange rates between member states. Far from being a technicality, its long-term stability concerns the attained nominal and real convergence level⁴, and the commitment and effort of the member state in adjusting economic policies into harmonization with those of the EU. If this feature is left unobserved, the consequences for that economy might be very harmful, hindering economic growth and causing a decline into economic recession. Nominal convergence (Maastricht criteria fulfillment) represents a precondition for the adoption of the euro, while real convergence does not. Although not required, the catching-up process represents an important step towards EMU facilitating the adherence to the Maastricht criteria (De Grauwe & Schnabl, 2004). In order to avoid exchange rate manipulations and an unfair competitive position, nominal exchange rate convergence is required under the Maastricht criteria. The third indent of Article 140(1) of the Treaty requires "the observance of the normal fluctuation margins provided for by the exchange-rate mechanism of the European Monetary System, for at least two years, without devaluing against the euro". Also, Article 3 of the Protocol on the convergence criteria referred to in Article 140(1) of the Treaty stipulates: "The criterion on participation in the exchange-rate mechanism of the European Monetary System referred to in the third indent of Article 140(1) of the said Treaty shall mean that a Member State has respected the normal fluctuation margins provided for by the exchange-rate mechanism of the European Monetary System without severe tensions for at least the last two years before the examination. In particular, the Member State shall not have devalued its currency's bilateral central rate against the euro on its own initiative for the same period." After accession to the EU, membership to the ERM II can take place at any time and is voluntary for member states outside the euro zone. Also, an entering country, the euro area countries, and the ECB must agree on the central rate⁵ and fluctuating band⁶ around it. In this context relevant attention is paid to the determination of the reference value of the exchange rate. This is not coincident with the conversion rate (the rate at which the national currency will be converted to the euro). These represent two different decisions at two different moments in time.

The alignment of long-term interest rates between member countries represents the fourth economic convergence criterion. There is a pragmatic reason behind this interest rate criterion: prevention of capital gains on bonds issued by countries that paid a high premium due to exchange rate risks (De Grauwe, 2012). If it is known that the exchange rate will be fixed, investors will sell low premium bonds lowering their price and increasing interest rates on them) and will buy high premium bonds (increasing their price and decreasing interest paid on them). In countries with initial low interest rates, interest rates will grow and holders of bonds will experience a capital loss; in a country with initial high interest rates, interest rates will fall and bond holders will have a capital gain. In order to avoid these unfair capital gains and losses the fourth indent of Article 140(1) of the Treaty requires “the durability of convergence achieved by the Member State with a derogation and of its participation in the exchange-rate mechanism being reflected in the long-term interest-rate levels”. To monitor the fulfillment of this criterion, article 4 of the Protocol on the convergence criteria referred to in

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⁴ Nominal convergence refers to Maastricht criteria fulfillment, and real convergence (or catching-up process) refers to the attainment of other member states’ average income per capita, implementation of necessary structural reforms and the creation of the institutional structures close to those of EU.

⁵ This will be used as a reference value to observe possible exchange rate fluctuations.

⁶ The standard fluctuating band is +/-15%, and a country may agree to adopt a narrower fluctuation band such as +/-2.5%, on the request of the country and subject to multilateral agreement.
Article 140(1) of the Treaty stipulates: “The criterion on the convergence of interest rates referred to in the fourth indent of Article 140(1) of the said Treaty shall mean that, observed over a period of one year before the examination, a Member State has had an average nominal long-term interest rate that does not exceed by more than two percentage points that of, at most, the three best performing Member States in terms of price stability. Interest rates shall be measured on the basis of long-term (10 years) government bonds or comparable securities, taking into account differences in national definitions”. Given differences in national bonds and/or securities, it is important to choose those bond yields (as a reference for long-term interest rate) that fulfill the following criteria (ECB, 2003): (a) bonds should be issued by the central government, given that these represent the most secure type of bonds and their prices are less affected by risk considerations; (b) maturity as close as possible to 10 years residual maturity; (c) sufficiently liquid bonds determining the choice between benchmark of sample approaches, depending on national market conditions; (d) coupon effects: no direct adjustment; (e) gross of tax; (f) yield formula: yield to maturity formula based on ISMA formula 6.3; (g) in the case of more than one bond, the simple average yield should be used to produce a representative rate. What happens if a country does not have long-term government bonds or those present have no benchmark characteristics? If this is the case, it is possible to consider comparable financial instruments, as in the case of Estonia and Luxembourg: since they do not have government debt, there are no bonds available (Convergence Report, 2010).

3. Macroeconomic Convergence: Where is Albania?

Although the fulfillment of the Maastricht criteria is not relevant to EU membership, understanding the level of their fulfillment (or otherwise) is useful in order to orient the necessary steps to cope with them by the time the country joins the EU. Addressing the problems and trying to find a solution would enable the country to join the ERM II and increase the probability of adopting the euro as the national currency. According to Faulend et al. (2005), the speedy introduction of the euro has several positive aspects, such as: (a) euro adoption would eliminate the need to hold surplus international reserves, (b) monetary policy could produce countercyclical effects, (c) there would be disappearance between internal and external debt so that the government could access funds transparently and under the same conditions lower government financing costs, (d) price comparisons would be easier, thus boosting international trade and lowering conversion costs, and (e) there would be elimination of currency risks from all balance sheets. Also, Fagan & Gaspar (2008), using a two countries model, showed that the creation of monetary union leads to an increase in welfare for all generations.

3.1 Price Stability Criteria

Since the first seeds of calculation in 1958-1960, and then from December 1993, the average annual inflation rate in Albania has been calculated using changes in the Consumer Price Index (CPI). After regime changes post 1990, the inflation rate exploded to three-digit figures, especially in the first six months of 1993, following a spiral path over the next years. In the first years of transition a progressive reduction of the inflation rate was observed, from 85.0% in 1993 to 22.6% in 1994, and reached a single-digit figure of 7.8% in 1995. The relatively low inflation-rate period was short since the following year it almost tripled, and at the end of 1997 the annual inflation rate reached 42.0% due to the pyramid schemes’ collapse during the spring of 1997. From the financial point of view, this collapse was considered the most

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7 Sample approach: yields calculated using this approach are more stable over time and substitution effects of the basket are dampened, avoiding maturity drifting effects. For small markets with limited financial instruments, this is not the most appropriate approach since the range of liquidity can be very different. Using the benchmark approach a single very liquid bond is considered, but in small markets such bonds are not issued regularly and frequently.

8 Theoretically, there is a positive relationship between coupon and bond prices and an inverse relationship between bond price and yields. There is no suitable way to adjust for coupon effects since the extent to which changes in bond prices affect the yield is weighted by the coupon value. If coupons differ significantly across countries, yields are not comparable and nor are their changes.

9 International Securities Market Association formula: \( P = \sum_{i=1}^{n} CP_i \times V^i \), which is the same across member states of the EU.

10 For Estonia, the indicator for long-term interest rates is considered as the bank’s interest rate applied to long-term loans (in national currency) to households and businesses (non-financial corporations) over 5 years’ maturity.

11 For Luxemburg, the indicator is based on a basket of securities (issued by a bank with solid rating) with common residual maturity of 10 years.

12 There will still be currency risks for non-euro deposits and loans (those in US dollars, for example).
difficult moment to be managed by the monetary authority in Albania (Bank of Albania, 1999). Its consequences affected the country's economic development for a long period. The following year was a period of recovery characterized by efforts by the central bank and international institutions (such as the IMF) to bring the inflation rate under control. In December 1998, the annual inflation rate was measured at 8.7%. At the same time, when the consequences of the pyramid schemes collapse became evident in the Albanian economy, another shock – this time an external one, the Kosovo crisis – hit the Albanian economy. Kolasi, Çeliku, & Hashorva (2001) empirically showed that political events, such as elections, do not significantly affect inflation rates. On the other hand, high-tension periods, such as the 1997 financial crisis and the 1999 Kosovo crisis, did significantly affect the inflation rate. In 1997 the crisis caused high inflation rates, and the Kosovo crisis resulted in lower inflation rates (Kolasi et al., 2001). The latter development may have been caused by the high inflow of goods in terms of aid, which in turn lowered internal prices. Also the exchange rate may have contributed to prices moving in the same direction. The years 1999-2000 were characterized in general by negative annual inflation rates determining a slightly deflationary period mainly due to the base effect of the previous year. These levels of inflation were too low, and unexplainable under liberal economic policies, with economic growth rates as high as 7.3% year on year (Bank of Albania, 2000). This period did not last too long. In fact, at the end of 2000 the central bank declared publicly that the economy was ahead of intensified inflationary pressures. Although under constant and careful monitoring by the Bank of Albania, the annual inflation rate in July 2001 jumped to 5.6% and in February 2002 it jumped to 7.7%. The high inflation rates registered in the period under consideration were the result of a series of factors such as an electricity energy crisis, political uncertainty due to the June 2001 elections, higher administered prices of energy and water, slower international economic growth, turmoil in Macedonia, introduction of the euro at the beginning of 2002, and the financial crisis in Turkey. An important event for the national CPI was the introduction of a new basket (a structural change) at the beginning of 2002 and the calculation of a new CPI. From 2003, inflation developments in Albania have been under the pressure of domestic and international macroeconomic developments. We can observe that the annual inflation rate has stabilized within the Bank of Albania tolerance band, sometimes overshooting or undershooting the main target of 3% 13. This has been mainly due to the influence of certain common factors, such as switching to indirect instruments of monetary policy from 2002, a consolidated fiscal policy, a very active, prudent and strong commitment of the Bank of Albania in pursuing its monetary policy primary objective, and from 2011 the very low influence of the administrated prices. Although this can be considered a period of stable and low inflation for a country like Albania where there are still structural reforms ongoing, the informal economy is estimated to still be high, with the privatization process not yet concluded, and subject to external shocks from international trade channels. For the period 2007-2011 the average inflation rate was 3.1%, close to the mid-term objective of the Bank of Albania. Turmoil in the financial markets started in 2008, which coupled with the sovereign debt crisis in some EU countries – Albania main trading partners – intensified uncertainties in the real sector of the economy. Monetary policy was forward-looking and timely decisions were very important in order to attain and maintain price stability in this period (Çeliku, 2011).

We return to our main question: does Albania meet the price stability criteria?

First of all, we should consider whether the CPI produced by the Albanian Institute of Statistics is comparable with the Harmonized CPI calculated by Eurostat. In view of the publicly available data and information, and the methodology used to calculate the CPI in the country, it is impossible to make relevant comparisons with EU data mainly due to mismatches on treating special aspects. It has been publicly declared by INSTAT that the actual CPI is calculated as close as possible to that of Eurostat14, and it is commonly used to make international comparisons. If we assume that data on the Albanian CPI corresponds to that of HCPI (if it was calculated), if it was comparable with EU data, Albania would already fulfill the inflation criteria if the assessment took place on 01 January 2013 (see Annex A).

Inflation rate in Albania and reference values for EU.

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13 From the beginning of 2006, the Bank of Albania adopted a point objective of 3% for the annual inflation rate instead of the previous interval tolerance band of 2% – 4%. For more information see Monetary Policy Document 2009-2011.
14 COICOP methodology and 12 categories matching those of Eurostat.
It would be very easy to conclude that Albania fulfills the price stability criteria as specified by the Maastricht Treaty and following protocols. However, we should bear in mind that the convergence of national average prices to EU average prices is a long-term process not only in transition countries but even in established member countries. For the period under consideration we can observe that Hungary, Estonia and Czech Republic do not converge in terms of average prices to the reference value, and they remain far from the average inflation rate observed for 2012. For the evaluation period, Albania’s inflation rate lies close to the best-performing countries and close to the average value of the inflation rate for the EU-27 for 2012. To highlight this, the Bank of Albania “is granted the exclusive right to independently implement the monetary policy\footnote{Article 161 of the Constitution of the Republic of Albania.}”, it has as its main task “to independently formulate, adopt and implement the monetary policy of the Republic of Albania, consistent with its main objective\footnote{Article 3, paragraph 4a of the Law No.8269, dated 23 December 1997, “On the Bank of Albania”.}, and the primary objective of the Bank of Albania is to “achieve and maintain the price stability\footnote{Article 3, paragraph 1 of the Law No.8269, dated 23 December 1997, “On the Bank of Albania”.}”. In quantitative terms, the Bank of Albania defines price stability as keeping the CPI inflation rate at the level of 3%, with a tolerance bank of +/-1 percentage point around its point target. From this point of view, the primary objective pursued by the central bank in Albania is higher than that of the European Central Bank. The divergence between the two targeted inflation rates is related to certain country-specific characteristics. As confirmed by the Bank of Albania\footnote{Monetary policy document for the period 2012 – 2014.}, the definition of the target for inflation reflects the level of development of the country as a small, open, and emerging economy. In this condition, it is characterized by high relative price volatility towards finding stable structural balances of the market economy. Also, it is considered that the target of 3% supports the EU integration process and assures a reasonable time span for real and nominal convergence of the Albanian economy with that of the EU. For all the above-mentioned reasons it is expected that Albania could have fewer “problems” in the adjustment process to the EU in terms of prices. Also the presence of a number of mechanisms of an administrative nature, such as a decrease in indirect taxes (excise duties on fuels) and restrictions or deceleration in administrated prices (electrical energy, water, health services, education services), can influence the inflation rate if necessary. It seems that the current price stability level pursued is safe from threats, but we should still be very careful in making final conclusions. We are not immune to international developments, and it is almost impossible to account for all the external shocks that may occur and could affect the domestic inflation rate. Also, another very important point consists in the fact that the price stability criteria represent a moving target; the reference value is not fixed as in the case of fiscal criteria. So, maintaining price stability requires strong efforts and commitment of the central bank, and a key to success may be the good co-ordination of monetary policy with fiscal policy.

### 3.2 Fiscal Criteria

With regard to the fiscal criteria, these consist of two sub-items: the overall government budget deficit/surplus and public debt. With regard to the government budget deficit we need first to consider the methodological aspects. In Albania, the compilation methodology underlying the data for the consolidated budget is broadly consistent with the analytical framework set out in the IMF’s “Manual on Government Finance Statistics, 1986\footnote{Source: http://www.dsbb.imf.org/Pages/GDDS/DQAFViewPage.aspx?ctycode=ALB&catcode=CGO00&Type=CF}”. Future plans concern the adoption of
the methodology of the IMF’s “Government Finance Statistics Manual, 2001” (GFSM 2001). In order to monitor fiscal criteria convergence, calculations must be made using the Eurostat ESA 95 methodology. Nowadays, EU-27 member states have almost completed the harmonization of their methodologies to ESA 95, and data are reported according to ESA 95. Keeping in mind these methodological differences in calculating the government budget in Albania and EU countries, we can see whether these criteria are fulfilled or not. As regards fiscal data from 2001, a constant decline in the government budget deficit can be noticed until 2006. The expansionary fiscal policy over 2008 was reflected in higher public expenditure and consequently a higher budget deficit, reaching -5.5% of GDP. The widening of the budget deficit over 2008-2009 was mainly due to higher public investments, especially those going towards the Durrës-Kukës highway. Observing the public debt to GDP threshold (below 60% of GDP), and maintaining low budget deficits, were the two most important objectives set out in the Fiscal and Macroeconomic Framework for 2010-2012. This was mainly due to the deterioration of the fiscal position in 2009. In contrast to the previous two years of fiscal stimulus, fiscal policy during 2010 was oriented towards fiscal consolidation through lower expenditure and higher revenues, leading to an almost 53% reduction of the government budget deficit for 2010. With a view to maintaining public finance sustainability, even during 2011 it was necessary to pursue a prudent fiscal policy. So, for 2011 the overall fiscal policy could be considered slightly stimulating. When we consider the reference value of the EU for the budget deficit of 3.0%, at first sight one can conclude that Albania does not fulfill this criterion. During 2012, the preliminary data show that the budget deficit amounted to 3.3% of GDP, 0.3% higher than the EU reference value. An interesting fact is that, in the current situation, data for 2011 show that the budget deficit to GDP ratio for Albania remains very close to those of the new EU members, and closer to the EU reference value than some established members of the EU.

Government budget balance in Albania (% of GDP) and public debt (% on GDP).

![Graph showing Fiscal Balance/GDP and Public Debt Stock/GDP]

Source: Ministry of Finance, Instat.

Note: For 2012 preliminary data from the Ministry of Finance.

With regard to the fiscal criteria, the Maastricht Treaty goes beyond the fiscal deficit and also considers the public debt criteria. As mentioned above, the consolidated government debt in Albania is calculated according to the IMF’s “Manual on Government Finance Statistics, 1986.” From the methodological point of view, the data on the public debt cover the internationally recognized definitions of central, local and general government. The general government in Albania consists of two levels, central and local government. According to the Organic Budget Law20, government guarantees are included. These are not in line with GFS 2001 and ESA 95 methodology. Given the current methodological differences in government debt statistics we can say that they are not entirely adjusted to the EU requirements. If we consider the data on the public debt in Albania, a progressive reduction can be noticed from 2002. The overall public debt registered its lowest level in 2007, accounting for about 53.4% in terms of nominal GDP. In 2008, mainly due to capital expenditure financing needs, the public debt stock increased, reaching 54.7% of GDP in 2008 and 59.4% of GDP in 2009. Given the

20 Units of the central government are: President, the Parliament, the Council of Ministers, 14 ministries, 8 non-ministerial departments, and various central institutions; Social Security Institute; Health Care Insurance Institute. The local governments cover 36 districts and 43 municipalities (including Tirana, which is both a district and municipality). There are no extra-budgetary operations at either central or local government level. Source: http://www.dsbb.imf.org/Pages/GDDS/DQAFViewPage.aspx?ctycode=ALB&catcode=CGO00&Type=CF 20 Law No. 8379, dated 29.07.1998 on the “Preparation and execution of the state budget of the Republic of Albania”.

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2008 financial crises and the debt crisis in Greece, and as part of the National Strategy for Development and Integration, a more prudent and better administration of the public debt strategy was adopted\(^{21}\). This strategy comprised two main elements: domestic debt maturity extension and, from the technical point of view, the improvement of the securities market infrastructure (Bank of Albania, 2008). For better comparability, Albanian government debt without guarantees issued is calculated, too, although methodological differences still persist. Data show that for several years, the Albanian government debt stood below the UE threshold of 60% of GDP, fulfilling this fiscal criterion even though by a small margin. Far from the point assessments, which currently are not coherent since methodological differences are present, it is important to notice that the public debt in Albania has been relatively close to the 60% threshold. From 2010, the public debt in terms of GDP increased slightly year by year, and is predicted to be over the EU threshold for the next 4 years. Reasoning is different if we consider the public debt to GDP less guarantees. For the period 2008-2011, these stayed below the 60% threshold, and for 2012-2016 are predicted to increase but without passing the 60% threshold.

### 3.3 Exchange Rate Stability Criterion

The exchange rate stability criterion requires successful participation in the ERM II, a multilateral agreement, for at least two years after the EU accession of the country. So, at this time it is not particularly important to discuss whether Albania fulfills the exchange rate criteria. In order to make assessments on this criterion it is necessary for all member states to agree on a central rate of the Albanian currency’s lek against the euro. Looking at the fluctuations in the exchange rate of the lek against the central rate enables an assessment of whether the country has participated successfully in the ERM II or not. To get an idea on the exchange rate of the lek against the euro in Albania we can simplify things by considering the exchange rate fluctuations over the last decade. Of course, whether the exchange rate shows relative stability or not, we cannot conclude that Albania formally fulfills the exchange rate criteria. Another thing to bear in mind is that prior to EU accession the capital account should be fully liberalized. Although in fact capital transactions have been liberalized to a large extent, the catching-up process (real convergence)\(^{22}\) (Faulend et al., 2005) may bring some uncertainty in maintaining the exchange rate fluctuations within the narrower interval (+/- 2.25%). In actual fact, the Bank of Albania implements a free-floating exchange rate regime, where the value of the Albanian lek is freely determined in the foreign exchange market by the interaction of supply and demand\(^{23}\). The free-floating regime allows the Bank of Albania monetary policy to have the maximum flexibility in achieving its inflation target, and enables the free movement of goods and capital. As stated in the Monetary Policy Document for 2012-2014, the Bank of Albania reserves the right to intervene in the foreign exchange market in order to increase the level of foreign reserves and contribute to the stabilization and development of the domestic financial markets. All interventions will be made transparent to the public, will be in accordance with internal relevant regulations, and will not prejudice the achievement of the primary objective of the central bank. After a continuous depreciation of the lek until 2003, in 2004 the national currency reinforced its position against the euro, mainly due to long-term domestic factors (Bank of Albania, 2004), such as a constant consolidation of economic stability which enhanced confidence in the Albanian financial system and in lek monetary assets; the lek’s real interest rates being higher than foreign currency interest rates and thus encouraging a high demand for the lek.\(^{24}\) In order to have the maximum flexibility in achieving its inflation target, and enables the free movement of goods and capital. As stated in the Monetary Policy Document for 2012-2014, the Bank of Albania reserves the right to intervene in the foreign exchange market in order to increase the level of foreign reserves and contribute to the stabilization and development of the domestic financial markets. All interventions will be made transparent to the public, will be in accordance with internal relevant regulations, and will not prejudice the achievement of the primary objective of the central bank. After a continuous depreciation of the lek until 2003, in 2004 the national currency reinforced its position against the euro, mainly due to long-term domestic factors (Bank of Albania, 2004), such as a constant consolidation of economic stability which enhanced confidence in the Albanian financial system and in lek monetary assets; the lek’s real interest rates being higher than foreign currency interest rates and thus encouraging a high demand for the lek.\(^{24}\)

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\(^{22}\) Especially if primarily manifested in appreciation pressures rather than higher inflation rates.


\(^{24}\) Even though Lek interest rates have been declining, the low inflation rates have maintained high real interest rates in Lek.
3.4 Long-Term Interest Rate Criterion

In order to assess whether Albania meets the long-term interest rates criteria, first we need to consider the instruments issued by the government\textsuperscript{25}, which include T-Bills (3 and 6 months’ maturity with monthly frequency, 12 months’ maturity with twice-a-month frequency); T-Notes (bonds - 2 years’ maturity with once-a-month frequency, 3 and 5 years’ maturity with three-monthly frequency, and 7 years’ maturity with irregular frequency). In view of the methodological requirements, there are no 10-year residual maturity government bonds in the lek, so there is no interest rate to be considered as a benchmark rate (Amerini, 2004). Traditionally, the former practice of the government was to rely more on domestic funds using T-bills as an instrument, and only in the last few years have they introduced T-Notes. The 7-year maturity bond, the one with the longest maturity in Albania, does not have regular frequency\textsuperscript{26}. The primitive secondary market is limited to a large extent to bond trading and issuance by the government. At the current stage there are no government bonds to fulfill the requirements for a benchmark interest rate. When there are no instruments fulfilling the requirements established by the Treaty, alternative comparable instruments can be considered, as in the case of Estonia, where the long-term interest rate on loans has been used as a benchmark rate (Faulend et al, 2005). In Albania, the greatest proportion of long-term loans is mainly in foreign currency\textsuperscript{27}, often indexed to Euribor, as a result of the considerable rate of euroisation of the economy. It is doubtful whether these interest rates on long-term loans can be used as a suitable reference value. It is not possible to predict how the internal securities market will develop in Albania. It is possible that, until the day Albania joins the EU, securities markets will evolve and demand for longer maturity lek-denominated bonds will increase. Also, we cannot know if the Albanian government will issue a 10-year bond, but if the condition of liquidity is satisfied, even the 5-year bond can be used as an instrument to calculate the benchmark rate (as formerly used in the case of Greece). At the current stage, we cannot make an assessment regarding the compliance of interest rates with the Maastricht requirement.

4. Conclusions

In this paper we have attempted to present the current stage of the Copenhagen criteria compliance prior to EU accession, and the Maastricht convergence criteria for EMU. We have paid special attention to the Maastricht economic convergence criteria (price stability, exchange rate stability, long-term interest rates and fiscal criteria). These indicators for Albania are not methodologically harmonized with those of EU member countries, and thus are not fully comparable with them. Exception is made for CPI, which is mostly in line with HCPI calculated by Eurostat methodology. If we assume that the Albanian CPI is sufficiently comparable with HCPI calculated by Eurostat, we can conclude that Albania fulfills the price stability criteria. The reference value is not fixed, so the assessment refers to a point in time. What is important to stress is that the monetary authority in Albania is strictly committed to attaining and maintaining price stability. Experience has shown that the Bank of Albania has been relatively successful in achieving its primary objective. With regard to fiscal criteria – overall government budget deficit and public debt – there is a weak methodological alignment to the international standards for fiscal accounts (Albania still uses GFS 1986 and EU member countries are aligned to ESA 95). Since there is no central rate, it is not possible to make an assessment related to the exchange rate stability criteria. Finally, regarding long-term interest rate criteria it is crucial to determine which interest rate can be used as the most suitable for comparisons. In fact, the high level of euroisation, primitive secondary market and lack of long-term financial instruments (bonds) make this task rather difficult. Given the above considerations, strong efforts should be directed towards methodological harmonization, determination of the central rate, and finding the appropriate financial instrument to use in order to calculate the benchmark interest rate. Given the current situation in European markets, fiscal consolidation should be considered as a primary objective, although the Albanian government has been committed to low budget deficit and under 60% public debt objectives. At the current stage of development, infrastructural investments are vital to the Albanian economic development, so the public debt will almost surely increase in the coming years. Not to be neglected is the attainment and maintenance of low positive inflation rates, given the structural changes still being undergone by the Albanian economy and the forthcoming real convergence to EU price levels. Also, as stated in Buli& & Hurnik (2006), the price stability criteria should not encourage the country to adopt short-term measures to reduce

\textsuperscript{25} Source: Ministry of Finance, Albania.

\textsuperscript{26} It was first issued on 07.12.2007 and re-issued on 18.06.2012.

\textsuperscript{27} Foreign currency loans accounted for about 67.5% of the total loans in 2011 and 61.4% in 2012.
inflation rather than structural reforms with longer-term benefits. With regard to the exchange rate stability, the experience of the former ERM/ERM II participants suggests that ERM II membership will be less stressful to candidate countries if the exchange rate band is underpinned by stability-oriented and credible domestic economic policies (Komárek, Čech, & Horváth, 2003). In conclusion, now that the country has set as its long-term objective, since 1992, integration with Europe, efforts should not stop in fulfilling firstly the Copenhagen criteria, and then the Maastricht criteria. Continued and sustained efforts should be made to permanently meet these criteria and assure the competitiveness of the Albanian economy in European markets.

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References


Legal resources


Annex A

Table A1. Best-performing EU countries at the end of December of each year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Best performing countries</th>
<th>Average</th>
<th>Reference value (Average +1.5%)</th>
<th>Albania</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>Belgium, Germany, United Kingdom</td>
<td>1.4%</td>
<td>2.9%</td>
<td>5.1%</td>
</tr>
<tr>
<td>2003</td>
<td>Germany, Austria, Finland</td>
<td>1.2%</td>
<td>2.7%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2004</td>
<td>Denmark, Sweden, United Kingdom</td>
<td>1.1%</td>
<td>2.6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>EU 25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>Czech Republic, Denmark, Netherlands</td>
<td>1.6%</td>
<td>1.7%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2006</td>
<td>Poland, Finland, Sweden</td>
<td>1.3%</td>
<td>1.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>EU 27</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>Malta, Netherlands, Finland</td>
<td>1.3%</td>
<td>2.8%</td>
<td>2.9%</td>
</tr>
<tr>
<td>2008</td>
<td>Germany, Netherlands, Portugal</td>
<td>2.5%</td>
<td>4.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td>2009</td>
<td>Ireland, Spain, Portugal</td>
<td>-0.4%</td>
<td>1.1%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2010</td>
<td>Ireland, Latvia, Slovakia</td>
<td>0.9%</td>
<td>2.4%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2011</td>
<td>Ireland, Slovenia, Sweden</td>
<td>1.5%</td>
<td>3.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td>2012</td>
<td>Ireland, Greece, Sweden</td>
<td>1.3%</td>
<td>2.8%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Source: Albanian National Institute of Statistics and Eurostat.

For 2004: Finland inflation rate has been excluded from the calculation since it was too low compared to the average inflation rate of EU-15.
For 2005: Finland and Sweden inflation rate have been excluded from the calculation since it was too low compared to the average inflation rate of EU-25.
For 2009: Finland inflation rate has been excluded from the calculation since it was too low compared to the average inflation rate of EU-27 and related to internal economic problems.
For 2010: Finland inflation rate has been excluded from the calculation since it was too low compared to the average inflation rate of EU-27 and related to internal economic problems. Also Latvia inflation rate has been excluded since too low compared to the average inflation rate of EU-27.
Effects of Moral Value Diversity on Team Composition and Team Cohesiveness

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Abstract

In the 1980s, work teams became the hot topic in the business and academic worlds. Organizations are enthusiastically using teams and team-based structures. This team oriented structures are intended to improve organizations’ productivity, quality, and customer service. Thus, more research is suggested on issues such as the effectiveness work teams. Researchers have cited the importance of cohesion of teams and team effectiveness. Moreover, they viewed cohesion as “a general indicator of synergistic group interaction—or process”. In addition, in literature variety of work group compositions are mentioned widely. The most popular composition variables include demographic characteristics and moral value diversity. It is stated that, diversity in composition of a work team has effects on social team processes such as team cohesiveness and team performance. Due to the rapid changes in perceptions of society and wide variety of moral values, people are forced to choose their team members among highly diverse population. With regarding to the suggestions in the literature, in this paper we will be examining composition of a work team in manner of moral values and its effect on team cohesiveness which is an antecedent of team performance. Twelve study groups, each composed of five students, are used as research sample. A questionnaire including team cohesiveness and moral values items will be distributed to students and in the end, their performance will be evaluated by the lecturer of the work teams.

1. Introduction

In the 1980s, work teams became the hot topic both in the business and academic worlds. Since then, organizations have been enthusiastically using teams and team-based structures (Mueller, Procter and Buchanan 2000; Van Hootegem, Bender, Delarue and Procter 2005). In fact, some researchers have estimated that in the future, as much as 40% to 50% of workforce will be working in some form of self-managed or empowered teams (Stewart, Manz,&Sims, 1999). The reason for the increase in the use of teams could be attributed to their positive outcomes such as improving organizations’ productivity, quality, and customer service (Guzzo & Salas, 1995). In addition, it is observed that growth rate of team-based organizations has demonstrated an increasing trend (Guzzo & Salas, 1995).

Moreover, variety of work group compositions is mentioned widely throughout the literature. The most popular composition variables include demographic characteristics and moral value diversity (Williams & O'Reilly, 1998). It is stated that, diversity in composition of a work team has effects on social team processes such as team cohesiveness and team performance. For instance, due to the rapid changes in perceptions of society and wide variety of moral values, people are forced to choose their team members among highly diverse population.

Regarding to the suggestions coming from the literature and the increased demand for team-oriented structures, this paper aims to examine team composition and its relationship between moral values of the group.

2. Diversity in the Team (Composition of the Group)

Recent research on work group composition has explored a wide variety of variables and group outcomes. Task performance, social processes, and satisfaction of group member needs are considered as the most popular outcomes whereas; the most popular composition variables include demographic characteristics such as race, age, gender,
functional background and tenure and, morality of team members (Williams & O’Reilly, 1998). Researches about diversity and team performance are focused on two main diversity styles: (1) Demographic and (2) Moral Diversity.

2.1 Demographic Diversity:

Demographic diversity can be defined as the state of a group when a substantial percentage of its members fall into categories based on the principal demographic features. Demographic features are socially marked aspects of identity that one did not choose and that cannot be changed easily. Race, gender, and ethnic or national origin are the three common demographic features. Race and age are important variables in team research because they are visible characteristics that may be used for social categorization (Tajfel, 1981; Turner, 1987). The natural tendency for people to categorize and compare themselves with others can lead to the stereotyping and it could lead to polarization of distinct social groups. Social categorization theory would, therefore, predict that groups of people with dissimilar characteristics would be less productive because of the conflict and lack of cooperation produced by the stereotyping. All else being equal, groups of similar people should display less internal conflict and greater task performance (Hewstone and Greenland, 2000).

Another possibility, however, is that diversity may be positively related to group performance. If different people possess different skills, information, and views of the world, it is possible that diversity may contribute to the quality of performance where such diversity is needed, recognized, and valued. Pelled and her colleagues (Pelled, 1996; Pelled, Eisenhardt, and Xin, 1999) proposed that emotional and substantive conflicts are caused by different types of diversity. Emotional conflict, however, did not significantly predict group performance. For instance, Pelled et al. (1999) suggest that age is used for comparison purposes to judge one’s accomplishments and career progression. Therefore, people of similar ages are more likely to be competing for recognition or promotions. On the other hand, Jehn, Northcraft, and Neale (1999), however, found that diversity in terms of sex and age was positively related to relationship conflict.

2.2 Moral Diversity

Several organizational behavior researchers have suggested that different kinds of diversity may create diverse effects. Jackson, Stone, and Alvarez (1992) distinguish demographic characteristics from personal attributes. Personal attributes are subjectively constructed, psychological and interpersonal characteristics such as status, knowledge, behavioral style, which can change through socialization processes. Values are also mentioned, however, they had been not discussed thoroughly. Williams and O’Reilly (1998) and Milliken and Martins (1996) suggest that researchers should examine value diversity along with demographic diversity and other kinds. One study that addresses value diversity directly (Meglin, Ravlin, & Adkins, 1989) claim that value similarity between workers and their supervisors was positively correlated with job satisfaction and commitment. Another study (Jehn, Northcraft, & Neale 1999) state that high value diversity predicts lower team effectiveness, efficiency, and morale, while high informational diversity (i.e., “differences in knowledge bases and perspectives”) is correlated with higher team effectiveness.

In this study, we suggest that the concept of diversity is valuable, however, this concept majorly referred to moral values such as what the team members believe socially acceptable or not acceptable. Thus, we are focusing on effect of moral value diversity to highlight important values which people’s worldviews are based on.

Moral diversity can be defined as the state of a group when a member does not value the most valued moral goods of a community. Moral values are social, personal, or spiritual beliefs such as justice, social harmony, self-actualization, faithfulness which are needed to evaluate and justify the behaviors of others (Shweder & Haidt, 1993; Shweder, Much, Mahapatra, & Park, 1997). Moral goods are experienced as affectively loaded self- truths or perceptions. People care strongly about them and find it difficult to explain their values to someone who does not share their intuition (Haidt, 2001).

Another well known study in the subject is “Constructing Values in Western Europe: Unity, Diversity and Change” by Hardling and Philips (1986). In their research, the researchers developed a valuable scale called as “Morally Debatable behaviors Scale (MDBS)” which measures the acceptability of various moral issues. Later, Katz et al. (1994) reconstruct this scale and examine morality in three aspects. The first aspect is “Personal-sexual Morality” focusing on life, death and sexual morality. This aspect is composed of subjects that are related with people’s point of view about sexual subjects such as abortion, homosexuality, divorce, etc. The second aspect is “Self-Interest Morality” emphasizing personal integrity and honesty. The issues like cheating on tax, bribe or unethical behaviors are grouped under this aspect. And the final aspect is “Legal-illegal Morality” that examines the behaviors which are formally restricted by the law. MDBS is considered as a powerful scale which is still able to provide practical means of assessing what people believe, the strength of their conditions as well as individual differences in moral tolerance.
According to the literature discussed above, it is possible to state that moral diversity is experienced by a group in which there are many different ideas of right and wrong, and there is no consensus about which moral value should be followed as a shared value. Moreover, it is expected that individuals tend to form groups with people who share similar moral values. Thus, our study tries to find out whether individuals are composing groups with people sharing similar moral values while they are free to choose their teammates. According to this objective, our hypotheses are as follows:

\[ H_1: \text{Morality demonstrates difference among males and females.} \]

\[ H_{1a}: \text{Self-Interest morality demonstrates difference among males and females.} \]

\[ H_{1b}: \text{Legal-Illegal morality demonstrates difference among males and females.} \]

\[ H_{1c}: \text{Personal-Sexual morality demonstrates difference among males and females.} \]

\[ H_2: \text{Morality demonstrates difference among work groups.} \]

\[ H_{2a}: \text{Self-Interest morality demonstrates difference among work groups.} \]

\[ H_{2b}: \text{Legal-Illegal morality demonstrates difference among work groups.} \]

\[ H_{2c}: \text{Personal-Sexual morality demonstrates difference among work groups.} \]

3. Methodology

This study is based on a questionnaire survey asking participants the justifiability of behaviors demonstrating moral issues which they face in their lives or have an opinion about. An information paragraph was written on the questionnaire sheet in order to both clarify the objective of the study and ensure the confidentiality.

In the questionnaire, the morally debatable behaviors scale developed by Harding et al (1986) is used. Scale is composed of three different groups of moral behaviors: (1) Personal-sexual Morality, (2) Self-interest Morality and (3) Legal-illegal Morality. In addition, in order to understand whether the group members in our sample demonstrate a cognitive similarity, we include two more questions about the similarity of their idea of life and ethical views; these questions are:

- The group members share similar life philosophies.
- The group members agree on moral issues and ethical standards.

These three aspects measured with total 22 items, each is represented by 8 items. Some items are common to self-interest and legal-illegal morality. Items were measured through using a five-point Likert scale ranging from 1 which is “Strongly inappropriate” to 5 “Strongly appropriate”.

Since the scale is in English, they are translated in Turkish in order to create convenience for the participants of the study. After the translation of the questions, opinions of experts (i.e.: lecturers and professors) have been taken. Furthermore, a pilot study is done to ensure the questions are understandable.

The sample population was the business administration students of a Private University in Turkey who were assigned to compose a group (form with three people at least) and construct an imaginary business, as their term projects. There are fifteen project groups which are formed by 68 students (N). Distribution of the sample can be seen below:

<table>
<thead>
<tr>
<th>Group distribution</th>
<th>Gender</th>
<th>N</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three peered groups</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Four peered groups</td>
<td>Female</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Five peer groups</td>
<td>Male</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>15</td>
<td>68</td>
</tr>
</tbody>
</table>

68 questionnaires have been distributed to sample after their final presentation of their business project. All questionnaires have returned and all of them are valid to use for this research.

3.1 Data analysis

In order to gain insight into the effect of moral values in group composing, different types of questions and statements are asked in the questionnaire, and then these were analyzed by diverse statistical techniques and procedures.
The accumulated data were processed by SPSS (Statistical Package for the Social Sciences) program. In order to test internal consistency, reliability analysis is used. In general, the number that is acquired from reliability analysis demonstrates the strength of diverse items complementing each other in the measurement of diverse features of the scale. The results of our reliability analysis of Morally Debatable Behaviors questionnaire proved that all items are reliable to use in this research.

**Table 2. Result of Reliability tests of Questionnaire.**

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Valid</td>
<td>67</td>
</tr>
<tr>
<td>Excludeda</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
</tr>
</tbody>
</table>

Likert-scale questions were comparatively analyzed for the groups and gender through usage of t-tests and Anova (Analysis of Variance).

### 4. Findings and Discussion

In order to test the first group of hypotheses (H1; H1a; H1b; H1c) mentioned above, independent t-test is used. Result of the independent t-test could be seen in Table 3.

**Table 3. Result of Independent T-test (Gender)**

<table>
<thead>
<tr>
<th>Independent Samples Test according to Gender</th>
<th>t-test for Equality of Means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t</td>
</tr>
<tr>
<td>General Morality</td>
<td>2.671</td>
</tr>
<tr>
<td>Self interest Morality</td>
<td>3.003</td>
</tr>
<tr>
<td>Legal-illegal Morality</td>
<td>3.363</td>
</tr>
<tr>
<td>Personal-sexual Morality</td>
<td>1.324</td>
</tr>
</tbody>
</table>

According to the result of the independent t-test, H1, H1a, H1b are approved. However, H1c is rejected. These results demonstrate that there is a significant difference between genders in the matter of morality which is also supported by the literature (i.e.: Franke et al 1997; Ambroso and Schminke 1999). However, our findings demonstrate differences especially in self-interest morality, legal and illegal morality whereas; females and males show similarities in personal-sexual aspect. As the means within genders are compared (See Table 4), it is found that females are more tend to act morally when moral ambiguity is present. Especially, regarding the issues which includes self-interest (i.e.: keeping the money that had been found, lying in their own interest, etc.) and legal prohibited actions (i.e.: cheating on tax and buying something stolen, using drugs, etc.). However, the findings do not demonstrate a significant difference in terms of personal-sexual morality. This means females and males have similar point of views regarding the issues such as homosexuality and abortion.

**Table 4. Mean Values of Females and Males**

<table>
<thead>
<tr>
<th>Gender</th>
<th>General Morality</th>
<th>Self interest Morality</th>
<th>Legal-illegal Morality</th>
<th>Personal-sexual Morality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>2,1496</td>
<td>1,8618</td>
<td>2,1815</td>
<td>2,3548</td>
</tr>
<tr>
<td>Mean</td>
<td>.56030</td>
<td>.62104</td>
<td>.70846</td>
<td>.75215</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1,8260</td>
<td>1,4981</td>
<td>1,7095</td>
<td>2,1318</td>
</tr>
<tr>
<td>Female</td>
<td>1,9735</td>
<td>1,6639</td>
<td>1,9246</td>
<td>2,2335</td>
</tr>
<tr>
<td>Mean</td>
<td>.43844</td>
<td>.36363</td>
<td>.43706</td>
<td>.63734</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.190</td>
<td>.70846</td>
<td>.14037</td>
<td>.16847</td>
</tr>
</tbody>
</table>
As the second set of hypotheses (H2; H2a; H2b; H2c) measures whether there is a significant difference among, in total, 15 work groups, one way ANOVA test used and the means of these groups are compared. The results of the ANOVA test are presented as follows:

**Table 5. Result of ANOVA test**

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Morality</td>
<td>6,580</td>
<td>14</td>
<td>.470</td>
<td>2,161</td>
<td>.022</td>
</tr>
<tr>
<td>Self interest Morality</td>
<td>4,487</td>
<td>14</td>
<td>.320</td>
<td>1,207</td>
<td>.298</td>
</tr>
<tr>
<td>Legal-illegal Morality</td>
<td>9,149</td>
<td>14</td>
<td>.653</td>
<td>2,094</td>
<td>.027</td>
</tr>
<tr>
<td>Personal-sexual Morality</td>
<td>11,744</td>
<td>14</td>
<td>.839</td>
<td>2,149</td>
<td>.023</td>
</tr>
</tbody>
</table>

Findings of the ANOVA test supported H2, H2b, H2c while; hypothesis H2a is rejected. Results demonstrate that there is a significant difference between groups in terms of morality, especially; in the manner of legal-illegal and personal-sexual issues. This means that 15 work groups demonstrate significant differences regarding their views on legal issues such as fighting with the police and political assassination. Similarly, these work groups do not share the same views regarding suicide, prostitution or divorce. On the other hand, the findings state that the views of groups are similar when the issue is related to self-interest such as taking marijuana/hashish and buying something which they knew it is stolen. As a result, when students are allowed to form their own work groups, they tend to demonstrate differences in terms of moral behavior between these groups.

Moreover, literature examines work-team groups on a scale which has “action-oriented teams” (Burke et al., 2005) on one side and “decision-oriented knowledge-based teams” on the other. In our case, these work groups are seen closer to the latter side. Several researchers (Ensley & Pearce, 2001; Faraj & Sproull, 2000) cited that these groups mostly rely on their cognitive similarity in order to develop and share information more effectively. In addition to the literature, we notice that the means of answers given to the questions about similarity of group members’ idea of life and ethical views are, in general, bigger than 3.00. Thus, it is possible to say that students are more tend to form groups with individuals sharing similar moral values and philosophy of life.

As a conclusion, since cognitive similarity is identified as a vital foundational element for achieving success (Kozlowski & Ilgen, 2007) and students are success-oriented, they unconsciously form groups with similar moral values in order to get better results. Thus, if the situation requires formally generated teams, the authority should consider the similarities of members in terms of morality to create more effective outcomes. Besides, they should expect to have moral variety among the groups which help the development of diversity in an organization.

Furthermore, it is also important to consider the gender homogeneity of the group members. Particularly, the importance of this issue arises when a moral dilemma appears. In such a case, having more male members in group may create a problem as they are less prone to behave morally especially in legal and self-interest issues. Therefore, in order to have a balance within the group members, the gender homogeneity should also be taken into consideration by the authorities who are responsible to form work-groups.

5. **Limitations and Future Research**

Main limitation of this research can be considered as its small sample size. Number of 68 students might not be enough to represent the whole population of the university in which the study takes place, thus repeating this study with a larger sample could be beneficial in order to generalize the results. Therefore, a further research can be conducted with different departments, different universities and even in different cities. In addition a multi-cultural approach can enrich and fortify the general acceptability of the results. Such an approach may create more demographic differences and this may help us to shed further light in the concept of moral diversity. Another further study may look into the relationship between the moral values and other group variables such as cohesiveness and team performance.

**References**


“Scientificity” of Social Research: Its Challenges and Implications

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Abstract
This paper intends to investigate into the adequacy, challenges and implications of social research that is based on scientific approach. It originates from two basic questions. Firstly, is scientific criteria of social research adequate to contribute to the construction of an holistic Social Sciences? Secondly, what are the challenges and implications of the “scientificity” of the Social Sciences? In general, the concentration of the mainstream social research has been more on the scientific perspective. Observable facts, proven evidences, empirical and measurable evidences are the main manifestations of this scientific perspective. Such a “scientificity” has been developed through conventional research methodology. The problem is, could social research be an holistic research methodology only by concentrating on the scientific realm? If intangible realm such as spirituality is included, is the conventional research methodology possesses adequate tools of analysis in understanding the intangibles? This paper intends to answer these questions and observe the challenges and implications faced by the scientific perspective. For these purposes, a textual analysis will be adopted. It will be shown that scientificity of social research is not a sufficient way to understand an holistic Social Sciences. It is based on some of the challenges such as for instance the question of how to observe the unseen, and quantifying the unquantifiable. From the challenges, it will cause certain implications that will be discussed in this paper.

Keywords: Social Research, Scientific, Research Methodology, Qualitative Methods,

1. Introduction

During the medieval era, Europe was engulfed with the backwardness of knowledge or better known as the European Dark Ages (Abu Bakar Kasim, 1993:15). The rise of the knowledge era (Renaissance) in the Western world began in Italy in the 14th centuries and later spread to the rest of Eastern Europe. This era was followed by the political revolution, the scientific revolution and the industrial revolution in the West in the next centuries. During the scientific revolution of the 17th century, the flow of Western knowledge dualism began to be spearheaded. The concept of this knowledge dualism is that knowledge is divided into the Natural Sciences and the Social Sciences. At the same time, the process of secularization of knowledge from religion was initiated (Abdul Rahman Abdullah, 2010:115-117).

Not only that, the current social studies as practiced today represents a result of the scientific revolution. This has resulted in an immense influence of the Natural Sciences into the Social Sciences. Among such is the scientificity of social research. It is based on this subject matter that this paper is written. This paper has two main purposes. First, to identify whether the scientific criteria in social studies are sufficient or insufficient to contribute to the building of a comprehensive social sciences; and second, to analyze the challenges and implications for the social studies conducted.

In achieving these two objectives, the discussion in this paper are arranged into four parts. Firstly, it discusses the definition of scientificity and the concept of social research, secondly, it discusses the scientificity challenges in social studies;thirdly, it analyzes the implications on the social studies carried out, and fourthly, conclusions.
2. Definitions of “Scientificity”

The term ‘scientificity’ adopted in this paper is derived from the word ‘scientific’, while the word ‘scientific’ is derived from the word ‘science’. However, in this discussion, the authors did not expand the scope science with the meaning of knowledge or the application of knowledge related to the material world (Ahmad Mahzan Ayob, 1997:6). The focus of the subject matter here is the intended use of the term ‘scientificity’ to describe a social research with scientific characteristics. A social research study with scientific characteristics, on the other hand, is actually a result of a scientific method used. In this case, to have an in-depth understanding of the meaning of “scientificity”, it should first be understood what is meant as a scientific method.

According to Goldhaber and Nieto (2010:940), the scientific method is a group of techniques to investigate a phenomenon, acquiring new knowledge or the correction and integration of previous knowledge. Adler and Clark (2008:6), in greater detail, states that the scientific method is a way of conducting empirical studies based on specific objectives, logic and the existent of communication between the research community by connecting the research with theoretical studies.

The term scientific as used by Adler and Clark (2008) is similar to the meaning of scientific method as advanced by Mohamad Najib Abdul Ghafar (1999), Othman Mohamed (2001), and Abdul Rahman Abdullah (2010). According to Mohamad Najib Abdul Ghafar (1999:4-19) and Othman Mohamed (2001:6), scientific brings forth the meaning that any activity that results from a systematic verification process. It is done purposively, selectivity, in-depth, and empirically verifiable (measurement, generalization, can be tested and tested again). While according to Abdul Rahman Abdullah (2010:181), on the other hand, scientific is a method based on empirical principles and experimental or studies which are inductive in character.

Besides Goldhaber and Nieto (2010), Adler and Clark (2008), Mohamad Najib Abdul Ghafar (1999), and Abdul Rahman Abdullah (2010), Sutrisno Hadi (1991) had also tried to present a definition to the term scientific method. According to Sutrisno Hadi (1991:136), the scientific method is a systematic observation and recording of a phenomenon under investigation. Actually, the definition presented by Sutrisno Hadi (1991) is just part of the elements that should exist in the scientific method. Weathington, Cunningham and Pittenger (2010:8) has listed five key elements of the scientific method, that is, hypothesize, operationalize, measure, evaluate and replicate/revise/report. To facilitate researches in remembering these five, Weathington, Cunningham and Pittenger (2010:8) summed it up by using the abbreviation HOMER (H = hypothesize, O = operationalize, M = measure, E = evaluate and R = replicate/revise/report).

It is evidently clear that the scientific method relies on human’s mind logical reasoning and based on reasonable facts according to the perspective of human thoughts. In addition, a principle discovered by science must be tested empirically. Actually this shows that the scientific method is clearly different from other methods such as ‘fate’, ‘trial’ and generalization of the experience (Sheffie Mohd Abu Bakar, 1995:13).

Furthermore according to Mohd Sheffie Abu Bakar (1995:13), the scientific method is based on a belief that every phenomenon has certain proofs, that is every effect has a cause. This method is based on the idea that a conclusion can only be accepted when it is supported by a solid evidence. This does not mean that logical aspects and expertise in research cannot be accepted. Expert statements can only be used if other evidence is scarce. However, by relying only on expert statements, a researcher cannot refer to his study as a result of a research unless supported by evidence that is consistent with the researcher’s experience on the matter at hand.

Based on the meaning of scientific in this discussion, it can be concluded that the scientificity of a social research is organized, systematic, purposive, prioritizes logical and rational elements, existent of a controlled variable, can be proven empirically (there should be evidence of statements made by data analysis and information collected to prove a hypothesis or theory), objectivity (solid and convincing), parsimony (linked to previous studies), and generalization of findings.

3. The Concept of Social Research

In general, social research is defined as a reality study of humans and society (Neuman, 2011:8). In particular it refers to the use of scientific methods to study the way people organize social life and create a network of contacts to enable them to lead the life (Sharifah Zaleha Syed Hassan, et. al. 2001: 10).

Actually, this social research is conducted by sociologist, social scientist, and others to seek answers to questions about the social world (Neuman, 2011:8). According to Blakie (2009) and Babbie (2013) social research is the use of controlled enquiry to find, describe, understand, explain, evaluate and change pattern or regularities in social life. Usually social research refers to a few knowledge disciplines in the social sciences such as history, political sciences, economy,
psychology, anthropology, sociology, laws, linguistic, communication and education (Gerring, 2001:xv; Neuman, 2011:8; Sharifah Zaleha Syed Hasan, et. al., 2001:14). In understanding something as complex as social interactions or human behaviors and cognitions is not easy (Weathington, Cunningham & Pittenger, 2010). The empirical, scientific approach to understand social research has been put as a condition but is it efficient?

According to Stanley and Sedlack (1992:ix), social research is very important because it provides information that is needed to be known especially in studying the various social sciences disciplines. Things such as theory, research and analyzing the relationship between theory and research need to be understood as each one of them have their respective roles to solve specific parts of the whole research made. In addition, the use of tools and skills through a rigorous and decisive scientific approach in discussing an issue in the philosophy of science is also important in addition to promoting reconciliation in analyzing various variables as compared to dual variable that is less complicated in a social research. In addition, social research is also important to analyze the phenomena of nature as it is an analysis of the everyday life or the subjective experience of daily life (Wysocki, 2004:13).

4. Challenges of “Scientificity” in Social Research

In making the effort to make social studies as a scientific study as discussed earlier, most social studies had to face four major challenges which are interrelated that is the aspects of logic, empirical, measure and evaluate, and purposive techniques.

First, the logical aspect. The scientific approach has put limitations that only things which are logical that can make a social study as a scientific study. In other words, things that are not logical at all are not considered to be scientific. Logic here actually has two meanings. First, the inductive logic and the deductive logic. According to Blaikie (2009) and Neuman (2011:69-70), a social study needs to be done either by way of inductive logic or deductive logic. If the social study is inconsistent or does not meet one of these two types of logic, then it is deemed as excluded from the scientific limitations. Second, logic is something that is acceptable to the human mind. According to Weathington, Cunningham and Pittenger (2010), logic means to always remain in matters that are acceptable to the human mind. It is also named as a rational explanation. It is clear that a social study is not regarded as a scientific research when it puts forward a proof or argument that is unacceptable by the mind.

As explained in the previous section, social studies is complex in nature. It is irregular and not equal like other beings besides humans (Weathington, Cunningham & Pittenger, 2010). If the scientific method is to put a man in a fixed inductive or deductive system, then the question is whether would it be possible? According to Blaikie (2009), the use of deductive logic in everyday life is already difficult, more so to put man into only one system of logic. This is aggravated by logic itself that is constantly evolving. It began with deductive logic and then shifted to inductive logic. Since deductive logic has proven to be unable to guarantee the truth, the study was then done based on inductive logic. In reality, inductive logic is also found open to errors. Although many specific cases have been studied before in which generalizations can be made, nonetheless disputes still arose on certain required specific cases before it can be used as an accurate generalization. If logic is a thing that makes sense then it actually makes the scientific research as having anti-progress tendencies. In this regard, it has already been proven a number of things that do not make sense at one time, but has been proven in the present realities. For example, scientific verification of Deoxyribonucleic Acid (DNA). There was a time when the murder crime could not be proven through fingerprints of the murder weapon but now it could in reality be proven through DNA. In addition, the body cells, hair, nails, semen and blood stains that have been laundered by criminals can also be traced through the study of science and technology.

Second, the empirical evidence aspects. Empirical proof means everything must be proven by the senses. In this case, empiricalism is of the opinion that nothing is ever stored in the human mind, unless there is data firstly obtained from the senses (Hume, 2004; M. Eid Al Munir, 2004). However, the senses actually has limited capacity. This is coupled with human who in itself is a complicated subject. The question is, how are people to be interpreted with this limited sensory capability? What about human’s characteristics that cannot be perceived by the senses such as the notion of value, spirituality, emotion and religion? In relation to this if viewed from the spirituality aspects is, it is true there have been efforts made to respond to this kind of matter. One of these is the work done by Muhammad Shukri Salleh (2012) to measure the level of religiosity in development. According to Muhammad Shukri Salleh (2012), the level of religiosity in
development can be measured with five items namely divinistic\(^1\), dogmatic\(^2\), holistic integration\(^3\), transitory\(^4\), and instrumentalistic\(^5\). Since Muhammad Shukri Salleh (2012) combined the data from the senses with the source of divine revelation in measuring the level of religiousity in development, thus it is not regarded as scientifically proven because in the scientific method divine revelation is not recognized as a source of empirical evidence.

The fact is, by revelation there are things that do not require observation or empirical evidence. It is sufficient just to do it right as recommended by revelation. For example, one way to recover from an illness in Islam is through the practice of charity\(^6\) (Abu Dawud, 1986). So far, its effects still could not be proven empirically. In fact there is no logical explanation on the correlation between disease, charity and recovery. However as a matter of fact that is the effect from the revealed guidance. Although there is no empirical correlation, but the effect still brings a win-win situation. Patients will get support from the aspects of emotional tranquility and spiritual satisfaction. The donated money will help a member of the community in need. If Allah SWT permits, the patient will recover and his wealth multiply due the blessings. Not only that, but his level of iman (faith) also increases and is stronger. The truth is, this aspect cannot be proven logically and empirically in a social research.

Third, is the measure and evaluate aspects. In scientific studies, every article or thing that is to be examined must be one that can be measured and evaluated. According to Weathington, Cunningham and Pittenger (2010), one of the assumptions in social science research is that a researcher can measure critical variables. Although it is possible that some variables cannot be measured directly, it can still however be measured indirectly. For example, in natural sciences (physics, chemistry and biology) indirect measurements have been used, especially in measuring the effects of gravity. In this case, no explanation is given as to what and how is gravity. In fact, the need to make all data measurable and can be evaluated are some of the challenges in conducting social research because not all data can be measured or numbered. There is no denying that there exists an effort to renumber a data that is difficult to perceive through the Likert Scale (Rehana Masrur & Masrur Alam Khan, 2007). If on the level of measuring the data can be done using the Likert Scale, however to what extent can the data be assessed by maintaining the proper level as it should be? What about the results of the analysis and implications of what is proposed? Is it compatible with the notion of number, when it did not originate from the numbers?

Similarly, if the social studies rely completely on measurement and evaluation through numbers, it can lead to error assessment and thus will not be able to solve the actual problem. This is especially if the social studies rely on the tangible or material aspects (Suat Yildirim, 2007:114-115). For example, the study of the behavior of Muslim consumers in buying alcohol. If this study only focused on material point, then the result is likely to find Muslims do not have enough money to buy alcohol; does not have access to alcohol distribution; expensive wine prices as high tax and so on. However, it should be noted that the issue here is the ban on alcohol in Islam. It is in religious adherence. Such examples and possibilities will occur if the social studies is too rigid in its scientific measurement and evaluation.

Fourth, the purposive techniqus aspects. When questions arise about the measurement and evaluation, then there arises the question on the techniques used. Is it enough to understand human? For example, if happy is used as a study, the results certainly show the things that makes a person happy is diversed. In this case, happy in itself is very abstract and subjective, in fact it is not visible.

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\(^1\) Divinistic here refers to the acquiescence to and the inclusion of the Creator, the God, the One and the absolute in one’s dealings (Muhammad Syukri Salleh, 2012).

\(^2\) Dogmatic here refers to the acquiescent acceptance to a set of dogmas embedded in one’s belief system, particularly in religion (Muhammad Syukri Salleh, 2012).

\(^3\) Holistic integration here refers to the amalgamation of three all-embracing aspects of one’s relationship, viz. the vertical God-man relationship (hablum-minallah), the inward man-inner-self relationship, and the horizontal man-man-nature relationship (hablum-minannas) (Muhammad Syukri Salleh, 2012).

\(^4\) Transitory here refers to one’s journey of life, living in this world as a temporary stop-over before embarking on the eternal world, the Hereafter (Muhammad Syukri Salleh, 2012).

\(^5\) Instrumentalistic here refers to the usage of all one’s actions as tools of worship, undertaking man’s function as servants (‘abd) and Vicegerent (khalifah) of God (Muhammad Syukri Salleh, 2012).

\(^6\) This is as transmitted by Hassan Al-Basri which brings the meaning: “Treat your sick one by giving sadaqah (charity)”, (Hadis Riwayat Abu Dawud: Hadis No 105).
5. Its Implications

Based on the discussion about the challenges of scientificity in previous social studies, it is evident that the nature of a social scientific study has some implications. However, in this discussion, the author does not intend to discuss them all. Only three main implications will be discussed here.

First, the scientific method in actual fact does not have sufficient tools to understand human beings as the main objects in social studies. According to the scientific method, some elements such as logic and empiricism cannot provide adequate tools to assess and understand man because it does not take into account aspects which cannot be seen and are illogical. The scientific method seems to narrow the scope of social studies, thus preventing it from understanding the social reality. According to Muhammad Shukri Salleh (2008), scientific studies can only collect information from observations, data and analyze the cause-and-effect of the interaction of these variables. It is as though looking at things from the angle of what is apparent or tangible only. For the avoidance of viewing the scientific method as only from the purely corporeal aspects, thus Northbourne (2008) says there are attempts to interpretate psychology and religion according to science. However, such efforts is akin to the ‘semi-religious’ effort, which puts God in a remote corner of human feelings and emotions.

Second, because the scientific method does not have adequate tools, without realizing, actually the study that follows the scientific method cannot understand human holistically. It makes the social studies to limit the humanity aspects of the research. For example, studies in economics. If a study focuses only on the logical and empirical, the result will show tendencies of the material needs. At the same time, since spiritual aspects cannot be proven scientifically, it then cannot be included. In this case, the community is induced with artificial needs that cannot help to holistically understand human (Suat Yildirim, 2007:116). Thus, at least most social studies need to balance between the scientific aspects with the humanity aspects.

Third, damage to the ‘aqidat (faith with strong interwined conviction). For Muslims, the bigoted attitudes on the scientific methods can actually harm their faith. This is especially so for those who hold to the scientism belief. According to Abd Latif Samian (1999:106), the obsession to scientism can ruin a Muslim’s ‘aqidat because it leads to ‘Intellectual Idolatory’. This occurs as a result of overtly glorifying the findings from science by thinking that scientific discovery is the only real knowledge. As a manifestation of this type of attitude, in most of the industrial nations, a very big honor is given to scientists compared to the honor given to members in other fields such as paleontology and statistics. For example, in the United States a physicist is far more respected than a public medical doctor. Actually the question of bigotry in the scientific method which can harm the ‘aqidat is important to understand because one-fifth of the world’s population is Muslims. However, this does not mean that the scientific method does not have any good in it but the scientific method should be ‘sparingly’ used so that the ‘aqidat is not affected.

6. Conclusion

Scientificity of social research actually has a good purpose. It tries to avoid errors in thinking and researching. However, without realizing it, this has led to the denial of a comprehensive understanding of social reality. As a result, the society is induced with imperfect solution and are less accurate. This demonstrates that in order to understand mankind as a whole (external and internal), it is not enough if the scientific methods alone are applied. It requires an additional tool to get a comprehensive result. Conversely, if the scientific methods remain with the existing judgment, it not only examines people from the external aspects, but will also in all probability lead to damage the ‘aqidat of the Muslims ummat (society).

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References


"Agreement of Extradition" between Albania and Italy

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Abstract

In the framework of international cooperation, the Republic of Albania has responded positively to cooperation in penal field and in particular regarding extradition. The agreement was signed in 2008 and entered into force on August, 01.2011, after previously ratified by the parliaments of both countries. This agreement follows the European Convention on Extradition, 1957 and the European Convention on legal assistance for penal cases, 1959. According to the above agreement Republic of Albania allow extradition of its citizens on the basis of the principle of reciprocity. The purpose of this paper is treating extradition not just as a process of transfer / delivery of a place in another, a person convicted of, or who is subject to penal prosecution as a legal process that combines rights and obligations and to highlight some problems in the extradition process.

Keywords: extradition agreement, code of Penal Procedure of Albania, Code of Penal Procedure of Italy,

1. Introduction

In the framework of international cooperation, the Republic of Albania has responded positively to cooperation in penal field and in particular regarding extradition. It is currently high contracting party, in a number of conventions, which regulate important areas in the field of international cooperation in criminal matters, which have provided ways of extradition cases and for certain types of penal acts. Some of the conventions ratified by national legislatures are:

- Convention "On reciprocal legal assistance in penal field";
- Convention "On Suppression of Terrorism ";
- Convention "On the transfer of proceedings in penal matters";
- European Convention "On Human Rights ";
- Rome Statute of the International Penal Court,

According to European Convention "For " extradition is applied in three directions:

- For transfer of persons for whom prosecution has begun in the state of research.
- To implement a security measure, according to the decision of the authority of the state of searching
- To put in execution, a penal decision of final sentence given by the courts of the requesting State.

In the framework of international cooperation in penal matters Republic of Albania and Italy have signed a bilateral agreement for the mutual extradition, the citizens declared as wanted by justice of the respective countries. The agreement was signed in 2008 and entered into force on August, 01.2011, after previously ratified by the parliaments of both countries. This agreement follows the European Convention on Extradition, 1957 and the European Convention on
legal assistance for penal cases, 1959. According to the above agreement Republic of Albania allow extradition of its citizens on the basis of the principle of reciprocity.

2. Extradition according to Albanian legislation.

Extradition is a form of international cooperation in penal field, which consists of the submission of a person by a State in which is located in another state must judge or the execution of a sentence already given. Extradition may be cognitive and executive. In the case when the person surrender is made in order to put to justice in the country that requires dealing with cognitive extradition. While in the other case, when extradition is requested that the person sought to be extradited has been tried, and penalty arising from this judgment, to suffer in the territory of the country seeking extradition, extradition is executive.

Based on Albanian procedural legislation, the extradition mean:

"...mutual submission under certain terms and conditions, of persons prosecuted for a penal act, or is required to order the execution of a judgment of conviction, or security measure, the judicial authorities of the requesting party".

But according to national legislation, as against a person who is abroad, is a security measure, to restrict the freedom in a criminal proceeding against him or given a prison sentence final, Minister of Justice, may submit a request for his extradition, based on the information and documents submitted by the General Prosecutor. The request should be forwarded through the Ministry of Foreign Affairs, and must be accompanied by additional documentation, which includes these documentary materials, binding, the following listed below:

1. Original or certified copy of the authentic, the decision whether a sentence to be implemented, whether it's a custody order, or any other act that has the same active force, issued under the rules contained in the law of the requesting party.
2. A statement of facts, on the basis of which extradition is sought, such as the time and place of performance, time and place of the offenses in question, their legal qualification, and references to legal deposits that are applicable in these cases, which should be implemented as efficiently as possible, and a full report on the procedural acts, on the basis of which the person identified as the author of the event.
3. A copy of the applicable legal provisions, or if this is not possible, a statement of the applicable law, as well as a more accurate description of the wanted individual features, as well as any information that can serve to determine his identity and citizenship in relation to the evidence which fully identify the person, such as photos, passport card, fingerprint records of tracks, etc.

Code of Penal Procedure makes a detailed regulation with regard to the mode of application of extradition. According whose extradition provided two forms: Extradition to outside Albanian territory, or passive extradition and extradition from Albanian territory, or active extradition.

According to the Constitution of Albania, extradition requires the fulfillment of two conditions required for allowing him:

First, that extradition is expressly provided for in international agreements to which Albania is party;
Second, extradition undergo to judicial review. Only if the court decides in favor extradition, the latter can be implemented in practice.

If the requesting State is a signatory or a contracting party to the Convention on Extradition and its three additional protocols, or if there is a bilateral agreement between the requesting state and the Albanian state has the right to request the extradition of a citizen who is in the territory of Albania. If the above condition is not fulfilled in accordance with Article 39/2 of the Constitution, Article 11 of the Penal Code and Article 10 of the Code of Penal Procedure, extradition may not
be granted and the Ministry of Justice without initiating any judicial procedures before the case must refuse a request for extradition.13

Legitimization of extradition is foreseen as the Albanian legislation and foreign, according to which extradition is allowed when the offense that is the object of the request for extradition is also predictable by the laws of both countries, the requesting state and the state requested. So if you are not satisfied when one of these two conditions, the extradition cannot be legitimized. Also legislator has foreseen those conditions, the existence of which does not allow the extradition legitimizes, where according to which extradition is not allowed when14:

a. “If the person to be extradited is an Albanian citizen, unless the agreement provides otherwise”;
   At this point, on the one hand envisaged prohibition of extradition of Albanian citizens, and on the other hand, there is room, that such a prohibition is not absolute, providing opportunity through bilateral agreements, the Republic of Albania, allow extradition of its nationals outside the country. This is a part that is regulated by agreements between states.

b. “If penal act that constitutes the subject of the extradition request has a political or military character”;
   In our opinion, this prohibition is justified because of the problems of these offenses, and the refusal of extradition consists in fact of prejudice from the beginning and can not effectively serve the purpose that the extradition itself, because in this case it comes to performing more specific offenses, which are considered to be resolved within a certain state, and can not receive, international character.

c. “When there is reason to suspect that the person sought to be extradited will be prosecuted, punished or required because of his political, religious, national, racial, or ethnic convictions et al.”
   This kind of refusal, apply to extradite, when there are conviction, or reasonable suspicion that the person sought to be extradited, will be prosecuted, punished or asked for political, religious, national, racial or ethnic origin. The state remains without prejudice asked to evaluate the circumstances to determine whether we are faced such a prohibition or not.

European Convention "On Extradition" and the Code of Penal Procedure clearly define and other restrictions regarding extradition of citizens, which does not allow extradition in cases when:

a. the wanted person has committed a penal act in Albania.
b. proceedings has started or is judged in Albania, even though the penal act is committed abroad.
c. for penal act is given amnesty
d. the requested person, is Albanian citizen, and there is no agreement, to foresee otherwise.
e. is prescribed, penal prosecution, or penalty required by state.

Point “d” of the preceding paragraph is the purpose for which the Albanian state and the Italian state have signed and ratified bilateral agreement 15 for the extradition of citizens on the basis of reciprocity, without restrictions on their nationality.

3. Italian legislation on extradition

Republic of Italy is high contracting partner to the Convention of the Council of Europe "On Extradition", and other relevant documents in connection with extradition. Extradition procedures are defined in the Code of Penal Procedure, Articles 700 to 722. Understanding extradition provided for in Article 697 of this code, which is defined as the submission of a citizen, a foreign state, to execute a sentence of imprisonment or an act proving its a penal act. conditions, which must meet a requirement for extradition are anticipated in Article 698 of this code, while Article 699 provides specialty rules relating to those specific conditions that must fulfill a request for extradition order for it to be acceptable.

Italian penal procedural legislation provides that the decision to extradite a foreigner citizen can not be given without favorite decision, the Court of Appeal 16, and Article 703, provides for decisions of the Prosecutor General, who

13 The combination of the above mentioned articles, legitimate, allowing extradition in the absence of any of the conditions specified in these provisions, extradition may not be granted.
14 Penal Code of Republic of Albania, Article 11.
15 Agreement between the Republic of Albania and Republic of Italy, in addition to the European Convention on Extradition of 13 December 1957 and of European Convention on Legal Assistance in Penal Affairs of 20 April 1959, which aims to facilitate their implementation, ratified by Law No. 9571, dated 02.11.2008.
16 Article 701 of the Penal Procedure Code provides that Italy, the competent court to review extradition cases is the Court of Appeal, while Article 704 provides for the procedure of the court.
receives a request for extradition by the Ministry of Justice, requires the foreign competent authority, through the Ministry of Justice, the necessary documents and information, and duty within three months from the date the application by the Ministry of Justice ‘t pass the case to court review,’ which has the obligation to communicate to the side of the hearing date ten days prior to her room and put in counseling after receiving all the information and after hearing the parties on whether to permit the extradition, and the decision is in favor extradition appointed date of delivery of the person to be extradited.

The decision of the Appeal Court is subject to appeal to the Court of Cassation by the person concerned or his representative, the General Prosecutor and the representative of the requesting State. Suspension of delivery of the person requested to be extradited provided for in Article 709, under which the suspension applies if the person should be judged on the territory of the requested State, or will decrease the penalty for crimes committed before or after the crime, to which extradition is given, however, the remaining part of the sentence (for a penal act other than that for which extradition is requested) the person may suffer in the requesting state.

Re-extradition of a person, that extradition from the requesting State to a third country if the parties agree, that after requesting State has obtained the consent of the requested State, provided for in Article 711 and Article 712, regulates the transition predicting the transit of the extradited from one country to another should be done at the request of the Ministry of Justice of the requesting state, and this transit should not prejudice the sovereignty, security, or fundamental interests of the state in which it serves the transit of the extradited.

Security measures that can be applied to the person requested to be extradited, predicted in Article 713, which relate to the sequestration of evidence and items which belong to the offense for which extradition is requested. However, these measures can not be applied if there is reason to estimate that there are no conditions for issuing a decision in favor of extradition.

Provisional application of preventive measures foreseen in the second section of Article 714 of this code. Thus, provided that upon request of a foreign country and motivated request of the Ministry of Justice, the Court of Appeal may dispose of a provisional measure on the road before the extradition request is made, provided that the state seeking establishment of these premature measures, to express willingness and shows interest in subsequent extradition of this person.

Italian penal procedural legislation also provides for the possibility of arrest of a person by judicial police. By law, the authority to make arrests in this case, as soon inform the Minister of Justice, and no later than 48 hours after the arrest, the latter informs the President of the Court of Appeals, which within 96 hours of arrest gives Ministry of Justice information about the reasons for not releasing. As regards the possibility of revocation of this security measure by the Ministry of Justice, the legislation provides that in such a case the person can not be held for more than ten days in isolation.

4. Extradition agreement with Italy

The Republic of Albania has ratified extradition agreement with Italy under which the contracting parties accept the extradition of its citizens on the basis of reciprocity in accordance with the norms and requirements of the the European Convention "On Extradition" also specifying authorities to follow the procedures. The purpose of the parties, relating primarily to facilitate the implementation and completion of the convention on extradition. Both states waive the right to refuse delivery of the respective nationals as provided in Article 6 paragraph “1” European Convention "On Extradition". Under the agreement, the parties can not establish citizenship as a reason for refusal of delivery.

The agreement at issue, in its Article 18 "Extradition of citizens" provides:

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17 Article 700-722, Codice Penale e di Procedurale Penale e leggi complementari, Giustino Gatti, Rafaele Marino e Rossana Petrucci, edizioni Simone 1995.
18 Article 706 provides for such a possibility of recourse to the Court of Cassation.
19 Article 715 provides that in cases of emergency, authorizing judicial police to arrest and seizure of the person, and the seizure of objects that have served to carry the penal act, or are its product.
20 Ratified by Law no. 9872, dated 11.02.2008.
21 Article 18, paragraph 3 of the agreement provides that extradition requests are made directly between the central authorities: the Republic of Italy by the General Directorate of Penal Justice, Office II, the Ministry of Justice of the Republic of Albania and the Ministry of Justice Directorate general Justice Issues.
22 Article 18, paragraph 2 of the agreement.
“...The Contracting Parties undertake, in any particular case, to submit their citizens who are under penal investigation by one of them for committing of penal acts or who are wanted for serving the sentence or to a restrictive measure, in accordance with the norms or requirements of the European Convention "on Extradition." contracting parties can not establish citizenship as a reason for refusal of delivery.23

Extradition requests made directly between the central authorities. For the Republic of Italy by the General Directorate of Penal Justice, Office of the Ministry of Justice for the Republic of Albania, Ministry of Justice, General Directorate of Justice Issues”.

5. Some problems in extradition procedures

Facing of the police structures with lack of infrastructure. This relates to, without full information, followed by the signatory parties to the agreement above, complete the identification of the person for which the extradition application.

Often lacking, cards fingerprint records to identify tracks based on papillary, lack these in the requesting state or in the state required, because it may happen that the person in question can not be coupled to the police ever for them to undergoing procedures fingerprint records.

Lack of infrastructure. It also refers, National Civil Status Register , which identifies only the actual data of the person, and there is no information about his previous generalities. There are many recorded cases, that various persons with criminal or penal precedent for justice in order to avoid changing their generality, such as name, surname, date of birth etc. even., Which makes it difficult to identify them immediately.

The speed in the implementation of procedures. Often brings problems in extradition proceedings. This is because not happen often, persons arrested for the purpose of extradition abroad, on the basis of the request made by the Italian or vice versa, but the requesting State does not respect legal deadlines laid down in the European Convention on Extradition. This fact is used by the defense of the person to seek his immediate release.

Deficiencies in the dossier. It must be said that, in many cases, failed attempt by the Albanian authorities for the extradition of its nationals from abroad, due to deficiencies dossier sent to the extradition of these citizens occurred outside the territory of Albania.

Courts- different stands for analogous cases. Another problem highlighted recently is the fact that the courts hold different attitudes to the analogous cases, that there is a unifying decision of judicial practice.

6. Conclusions

Bilateral agreement was necessary because, Albania and Italy are two neighboring countries, and the fight against crime requires advance forms of cooperation, and this promotion can find expression, in allowing mutual extradition of nationals of the two neighboring countries. This agreement has been ratified constitutes an important step in the fight against crime.

It is a common interest of the parties that legal aid be made between them so quickly and efficiently, in accordance with fundamental principles of their domestic law, and respecting individual rights and principles recognized by states24.

From this brief analysis on how the regulation of extradition can say that makes a prediction almost identical to Italian legislation, as well as Albanian legislation.

In many cases, the competent Albanian authorities have shown determination and seriousness in pursuing extradition procedures most wanted by the Albanian justice, which has proved successful initiatives for the extradition of these citizens.

Until today the agreement has worked more for the extradition of its citizens who are wanted by Italian authorities to investigate or to be sentenced in Italy, and returned to Albania in order to avoid prosecution. There are numerous cases that Albanian citizens have benefited from the absence of a bilateral extradition treaty with Italy, until August 1, 2011 period in which the agreement came into force.

23  Article 6 paragraph 1 of the European Convention "On Extradition" predicted that ratifying states have the right to waive extradition of their citizens, leaving the possibility that such an issue, states can dispose based on reciprocity..

24  Individual rights and principles of the European Convention for the Protection of Human Rights and Fundamental Freedoms signed in Rome on 4 November 1950
7. Recomandation

- Improving infrastructure available to law enforcement agencies.
- Continuing legislative and structural reforms to successfully perform the required alignment with standards.
- Fulfillment of all obligations to partners, regardless of cost.
- Simplification of procedures with the aim of shortening the time limit.
- Continuation of efforts to sign bilateral agreements, including those for the extradition of its citizens.
- The unified judicial practices.

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Cultural Materialistic Reading of Eugene O'Neill’s the Iceman Cometh

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Abstract

This paper examines one selected play of Eugene O’Neill (1888-1953) in Cultural Materialism. His selected play, The Iceman Cometh, is interwoven with the political and socio-economic conditions of the American capitalistic society. O’Neill was highly under the influence and inspiration of his contemporary events and the traces of those events are reflected in his works. He prefers to deal with the authentic American types and backgrounds in his social dramas. The main characters of his plays under the tyranny of dominant power turn into dissidents and resist against the authority or control of the dominant system. They struggle to subvert the dominant order, and since they would be a threat for absolute power they are consequently condemned to harsh punishment. O’Neill represents the conflict between the marginalized group and the central one. His sympathetic tone indicates his intention in supporting the dissidence in social and political activities. The Iceman Cometh is the depiction of the World War’s impact on American community. All of the desperate typical characters of this play belong to the dissident group that resist against the dominant order in various manners. O’Neill held out little hope for man in The Iceman Cometh during the Second World War. O’Neill confessed that the United States instead of being the most successful country in the world is the greatest failure because of the foreign policy of the United States during the Wars. The Iceman Cometh is the symbolic and artistic picture of the US policy which brings disillusionment and death for Americans.

Keywords: Cultural Materialism, Dissidence, hegemony, residual, allegiance

“Ruling culture does not define Culture, though it tries to, and it is the task of the oppositional critic to re-read culture so as to amplify and strategically position the marginalized voices of the ruled exploited, oppressed and excluded.”
Raymond Williams.

1. Introduction

Cultural Materialism as a postmodernist critical approach has root in the contextual approaches. It tries to remove the deficiencies of the traditional contextual approaches and to provide a practical and well-organized theory in literary criticism. Some critics believe that the background of Cultural Materialism refers to the Historical oriented approaches, but some others maintain that it is the result of Marxism. It is important that Cultural studies have significant role in the construction of Cultural Materialism. Contextual approaches were constructed after traditional approaches and New Criticism. Their background goes back to the nineteenth and early twentieth centuries when scholars asked to what extent literary texts were under the influence of the historical, political, economical, philosophical, religious and psychological contexts of their productions. One example of the contextual approaches was Marxist criticism which regards the production of literary texts as “the interface of material and socio-economical circumstances” (Selden 88). Class and economic structures were the particular focus of Marxist critics. Marxism views literature in terms of its relationship to society. Marxists critics study literature to examine how a literary work reinforces or undermines the current social structure. After the Second World War contextual approaches, especially Marxism, are considered as the outdated approaches. They have had a major comeback over the last two decades in approaches like New Historicism, Cultural Materialism and Cultural Studies. Thus, Cultural Materialism is somehow the revision of Marxism. Some critics demonstrate that Cultural Materialism in studying of historical contexts of the literary works has objective method and belongs to Historicism. The delicate neglected point in this claim is the special viewpoint of Cultural Materialism towards the concept of history. Brannigan declares “Cultural Materialism
announces that not only literature is shaped by history but also shapes it as well" (92). There is organic and inseparable relation between history and literature. The most famous concept of “the historicity of text and the textuality of history” (Brannigan 195) in Cultural Materialistic theories reinforces this idea. Cultural Studies emphasize that any cultural phenomenon is valuable for serious analysis. Investigation of literature is one means to pursue Cultural Studies, but literature is no more important or significant culturally than other practices. There is no difference between literary works and other cultural products. Cultural Studies use the theories and methods of literary criticism to probe the depth culture both through the literary study and through the study of other texts or the cultural implications of popular culture.

Eugene Gladstone O’Neill was born in an Irish-Catholic theatrical family on October, 16, 1888 at the Barrette House, a hotel at Broadway in New York City. In 1912 because of mild tuberculosis he spent six months at sanatorium where he decided to become a playwright. In the late 1910s O’Neill’s dramas gained recognition in New York City. Between the years 1918 to 1924 he wrote Anna Christie (1922), The Hairy Ape (1921), The Emperor Jones (1920), Desire Under the Elms (1924) and the distinguished short sea plays: Bound East for Cardiff, In The Zone, The Long Voyage Home and The Moon of the Caribbees (between 1913 to 1917). This autobiographical play was awarded the Pulitzer Prize in 1957. The Iceman Cometh (1939) also was considered as his best play in 1957, several years after its publication.

O’Neill attempted more than anyone else to destroy the rooted conventions and stereotypes of American Theatre and to substitute an essentially different dramatic imagination. The dominant dramatic genre of the nineteenth century in both Europe and America was melodrama. The recent critics argue that melodrama was a response to a “deeply unsettled post revolutionary political and social order” (Gilman 95). Melodrama depicts a simplified moral universe in which good and evil are clearly recognizable traits of a hero and a villain who are locked in a struggle for dominance that is often violent and sensational. In melodrama the forces of good usually win and affirm the established social order and assure the audience that its moral values will triumph at the end. In a typical melodrama the plot is romantic and developed sensationally with little regard for motivation and with an excessive appeal to the emotions of the audience. The object is to keep the audience thrilled by the arousal of strong feelings of pity, horror or joy. The message of the play is conveyed through sheer sentiment and there is no room for depicting the complexity of moral dilemmas or the psychological complications of human characters. The characters of the melodramas are either very good or very bad and they are involved in a reward or punishment pattern according to their deeds. Thus, each melodrama contains the abundance of stereotypes and clichés.

The play of this kind was eventually replaced by a more serious drama represented by realism of Ibsen and later refined by innovative artistry of O’Neill and other major modern dramatists. Rejecting the simplistic moral worldview, the conventional plot, the flat characters and the sensationalized staging of melodrama, playwrights such as O’Neill worked at developing a realistic theatre that represented common place middle class, American life directly and that invited its primarily middle class audience to wrestle with moral and psychological complexity rather than to reaffirm traditional values. O’Neill extricated himself from the dominant modes of dramatic expression. Manheim states “he turned his back to the conventional formulae of melodramatic romanticism and the clichés of his contemporary theatre” (22). O’Neill very artistically represents the common people with the internal combination of good and bad as his dramatic characters and conveys his message very implicitly through some more adept dramatic techniques. Thus, his dramatic career was a series of experimental efforts to liberate American drama from the dominant conventions and to find a satisfactory vehicle for representing life. The result was a new depth of seriousness and new vitality in the drama, and the free use in stage craft and acting of experimental techniques which completely ignored the established conventions.

O’Neill in his plays represents the opposition between the groups of socio-political dissident and dominant. His main characters in these three plays are those who stand against the dominant order of the society and reject to be the social and political conformist. O’Neill argues that the dominant system of his society, i.e. Capitalism, legitimates all tyrannical processes within its realm of authority. Dominant system reacts against the militant resistance either by severe punishment or by keeping it marginal. He explores the effect of perverse social arrangement on both the oppressor and the exploited through the form, language and content of his plays. He shows the repression of entire people in modern time. In O'Neill's view the matter of dissidence could take place in various fields of human being; dissidence could be social, political, moral and psychological.

In the early twentieth century during the modern period American Drama began to mature. 1920s and 1930s was a time of great experimentation in the American theatre mostly by Eugene O’Neill. It was nourished and influenced by international movement in drama, especially expressionism. O’Neill as a pioneer dramatist who brought expressionism to American theatre changed the traditional conventions in the performance of the plays. He worked upon the social drama and direct treatment of contemporary political, social and economical conflicts. O’Neill combined vigor with imagination, toughness with sensitivity and realistic detail with expressionistic devices. He was interested in the authentic American
types and backgrounds. Hence, he preferred to state his own city—New York—as the place of his plays because he completely knew New York inhabitants and was familiar with their life and attitudes.

O'Neill in his dramatic works tries to depict the complex mental disturbance of modern man. He, contrary to the traditional dramatists who want to represent the tragic destiny of those who are not in harmony with God or with universe, attempts to convey the harsh situation of those who are not in harmony with other human beings. In traditional and classical dramas the conflict had been between metaphysical forces and a human being, but in modern drama especially in O'Neill’s drama the conflict exists between human species. In modern time one part of society assumes itself as the possessors of all powers of the world and legitimizes the oppression and tyranny over the other part of the society. One of the critical movements which are constructed in relation to the deplorable situation of the marginal part of the society is Cultural Materialism.

Cultural materialism tries to observe the interaction between State power and cultural forms, and how the theatre has been used as a prime location for the representation of power. For Cultural Materialism the concept of power implies the object of struggle. Cultural materialists define the alien and unruly individuals as ‘Other’. The existence of ‘Other’ is allowed only as evidence of the rightness of established power. Critics like Dollimore and Sinfield argue that the resistance or subversion may indeed be appropriated by authority for its own purpose, but it can be used against authority as well as used by it. Thus, the demonized elements in modernist culture, the subordinate, the marginalized and the dissidents are identified as the forces to be self-identified. In Cultural Materialism the process of resistance is the outcome of the struggle between marginality and power.

The social, political, cultural and economical aspects of O’Neill’s contemporary society had affected highly his plays. Some critics categorized his entire plays that all of them at least contain dual aspects: first those peculiar features which are limited to American life and thought, and second those feature that are not limited by either time or place and are rooted in the universal experiences of mankind. In the selected plays studied in the thesis all of those features are illustrated, but Cultural Materialists in their critical investigations are more concerned with the first type features. The Iceman Cometh contains two marginal and influential characters, Parritt’s mother and Hickey’s wife. Both determine the whole action of the play. In short, the central characters of O’Neill’s plays are the really social marginal characters neglected by that world. They have to leave their social and political activities. O’Neill by his characterization implies the importance of the marginal individuals in his society.

2. The concept of The Iceman Cometh

The Iceman Cometh represents the inattentiveness and indifference of the modern people. The latter is certainly more harmful for humanity than the former problem. Cultural Materialists argue that the problem of modern man is not consciousness-raising or recognition of the tyrannical procedures of dominant material system; rather it is his indifference to his retrogression and the lack of tendency to save correctly himself from the humanistic falling. The modern man like all Hope’s dwellers willingly deceives himself and submits himself to Pipe dreaming, alcohol, coming of the savior and tomorrow work in order to reduce his relief. O’Neill knows this catastrophe and tries to make it obvious for all people.

The time of The Iceman Cometh is retrospective, the story happened in 1912. The time of two of O’Neill’s plays, Long Day’s Journey into Night and The Iceman Cometh, is 1912. This year is very disappointing time for O’Neill himself. Within the span of O’Neill’s life and literary career, the year 1912 has deep significance. In Cultural Materialistic terminology this year is considered as the historicity of text which influences and constructs the production of the text. In 1912 O’Neill decides to be a playwright. It is in the fall of that year that O’Neill attempts suicide and very soon after its recuperation he is afflicted with tuberculosis that captivates not only O’Neill himself but also his father, his mother and his elder brother Jamie. This experience affects his entire personal and dramatic world. It constructs the world with its often intolerably severe tension and its violent mixture of love, hatred, guilt and resentment that would be the obsessive subject of almost every important play that O’Neill thereafter writes.

One of the other crucial terms of Cultural Materialism that plays a significant role in O’Neill’s plays is the concept of power. Cultural Materialists define power in Marxist terms. They under the influence of Michael Foucault argue that all man’s social and intellectual activities are the will to power. As soon as the power is established the process of decentring takes place in order to sustain the control and absolute authority. By decentring some part of the society is taken to the marginality. Little by little this marginal part of the society becomes the great threat for the dominant power of the society. Thus, marginal division conflicts with the central power and the struggle between them constructs resistance. The ultimate aim of resistance is to subvert the dominant order. The subversion stands against the attempts of authority in consolidation of its rules. The examination of the concept of the resistance and subversion is the main concern of Cultural
Materialism. This approach at first recognizes the power or ruling class and then investigates the marginal and dissident class.

The Iceman Cometh is considered as O’Neill’s masterpiece which represents the disillusionment of the modern man within the capitalistic society. This play shows O’Neill’s worldview and his attitude about the failure of any social reform or hopeful improvement in the time between the World Wars. He depicts a small community of derelicts in Harry Hope’s Saloon as a microcosm of the World. The characters in order to make life tolerable escape from reality and deceive themselves by fostering the Pipe dream.

The Iceman Cometh beyond its philosophical or psychological themes, such as facing reality or self deception in various situations, wants to reproach the false dream of America. Virginia Floyd states, “The promise of the American Dream, a goal of material prosperity and success, has long been regarded as a crucial element of American culture” (263). With O’Neill’s characters it is capitalism and anarchism that have reached their exhausted end. Floyd also declares, “Neither ism is able to provide its followers with sufficient hope for the present; as a consequence, they retreat into a world of pipe dreams” (268). In Harry Hope’s saloon there is no trace of such hope for future glorified days, and just pretension of the coming hopeful days is the only reason for surviving in American life.

O’Neill intentionally refers to his contemporary social and political matters in order to reveal the harsh background which influenced the formation of such downtrodden characters. In representing the quarrel between General Wetjones, one-time leader of a Boer commando, and Captain Lewis, one-time Captain of British infantry in the Boer war, O’Neill tries to show to some extent the policy of imperialistic countries affects the impartial relationship between the people. The characteristic of Joe Mott, the only Negro of the play, is very considerable. It seems that the need of remaining in the Hope’s gang forces Mott to accept the dominant’s superficial propaganda that there is no difference between the blacks and the whites: “I don’t stand for nigger from nobody. In the old days, people call me nigger” (642). This false dream that in materialistic and capitalistic society of America there is no discrimination between black and white is essential for Mott in order to pass his time happily. He by accepting this dream wants to forget the harsh reality. Of course, in some passages that Mott honestly remembers his past, he points to the real racial discrimination of the society for example, in Act one he speaks about the legal permission for opening his gambling House: “I went to see de Chief,…he shouts, You black son of a bitch, Harry says you’re white and you better be white or dere’s a little iron room up de river waiting for you!” (643). Manheim says: “Being equal with the whites is Mott’s pipe dream so that if he wants to be comfortable he inevitably should attach to it” (198). After Hickey preaching about killing all the pipe dreams we see that Mott faces the reality and becomes aware of his false hope “Don’t you get in your head I’m pretending to be what I ain’t, or that I ain’t proud to be what I is, get me? You white boys! You and me’s going to have trouble!” (676).

Another important point of The Iceman Cometh is the playwright’s idea about the political movement or Anarchism which has a determining role in this play. The clarification of the author’s attitude towards the socio-economical and political aspects of his context is very essential in interpreting of the text. Only under such clarification finding out the positions of dissident and dominant, central and marginal, determination and subordination would be possible. O’Neill directly introduces his two anarchist character “Larry Slade, one-time Syndicalist-Anarchist” (Act I 615) and “Hugo Kalaman, one-time editor of Anarchist periodicals” (615), but he indirectly and very effectively depicts Parritt’s mother as a chief anarchist in the play. Although she never comes to the stage, her great influence on the process of the story is obvious. During the 1900s anarchy, the belief that all systems of government had been immoral and unnecessary was a serious political movement in the United States. Bogard stresses that “Emma Goldman perhaps the best remembered of the anarchists of this period may have served as a model for Parritt’s mother; Goldman was quite active in 1912, the year in which The Iceman Cometh is set” (344). Also in another chapter he points to the acquaintance of O’Neill with some anarchists in 1915: “in the Greenwich village after O’Neill had left Harvard, he met Maxwell Bodenheim, Mary Heaton Vorse and the loquacious anarchist, Terry Carlin, whom he later portrayed as Larry Slade in The Iceman Cometh” (398).

O’Neill in act one through a conversation between Joe and Larry informs the audiences about the essence of the Socialist and Anarchist in 1910s from the common people’s viewpoint. Joe remembers his last night conversation with his friend about Socialists and Anarchists. His friend says: “we ought to shoot dem dead” (Act I 629), but Joe replies “you talk’s if Anarchists and Socialists were the same…No, dey ain’t, I’ll explain the difference” (629). Then he starts to evaluate the former group’s position from his profitseeking outlook “De Anarchist he never works…if he do ever get a nickel, he blows it in on bombs, and he wouldn’t give you nothing. So go ahead and shoot him” (629). The latter group is better for Joe because he considers them as profit-sharing: “But the Socialist, sometimes, he’s got a job, and if he gets tem bucks, he’s bound by his religion to split fifty-fifty wid you. And you get de five. So you don’t shoot no Socialist” (629). O’Neill by representing this conversation implies that for common people, economical forces determine the value of each political Movement, as we see that Larry justifies his quit the movement: “I saw men… never pay that price for liberty” (624).
Larry’s ideas about the essence, the definition and the deficiency of the revolutionary movement could be O’Neill’s idea about such dissidence. The more O’Neill’s experiences are increased, the more realist becomes he. He challenges the idealistic promises of dissidents in resistance against the dominant structured system, and identifies their weak points. Larry as the most intellectual member of Hope’s saloon through the conflict with Parritt firmly rejects to return to his past Anarchist beliefs in Act One and says, “I am through long since with any connection with them [the anarchists]. I know they’re damned fools, most of them, and stupidly greedy for Power as the worst Capitalists they attack” (632). In another place he considers the Movement as “only beautiful pipe dream” (633) which deceives the people that it certainly would improve their social conditions. Also he condemns the anarchist’s ineffective way of resistance and says: “I couldn’t go on believing forever that gang was going to change the world by shooting off their loud traps on soapboxes and sneaking around blowing up a lousy building or a bridge! I got wise all a crazy pipe dream!” (635).

Larry’s quit of the dissident movement in Act One doesn’t mean that he supports the dominant system. He contends that the anarchist movement is not his satisfactory counteract, and since he doesn’t find another effective action he prefers to go outside the system “If I don’t believe in the Movement, I don’t believe in anything else either, especially not the State. I’ve refused to become a useful member of its society. I’ve been a philosophical drunken bum and proud of it” (634). At the same time he proposes his reasons for his decision to leave his companions: “you asked me why I quit the Movement. I had a lot of good reasons. One was myself, and the other was my comrades, and the last was the breed of swine called men in general” (634). After thirty years devotion to the Movement he realizes that he is not made for it: “as history proves, to be a worldly success at anything, especially Revolution, you have to wean blinders like a horse and see only straight in front of you. You have to see that this is all black, and that is all white” (634). Moreover, he accuses all people of his society that they are not ready to convert or to unite with each other to overthrow the capitalistic tyranny. If they don’t want to change their oppressive situations, no revolutionary movement can help them: “the free society must be constructed from its men themselves and you can’t build a marble temple out of a mixture of mud and manure” (634).

Don Parritt as a victim of his mother’s anarchist activities is one of the important characters of the play. He has unpleasant personality: “shifting defiance and ingratiation in his eyes, and irritating aggressiveness in his manner” (625). Throughout the play he wants to instigate Larry to save him from his guilty feeling. He in his confession about his motivation for betrayal mentions different reasons that indicate his unstable mind. One of his confessions which relate to his patriotism reveals the playwright’s attention to his contemporary political situations. Parritt in ironical utterances says:

I began studying American history. I got admiring Washington and Jefferson and Jackson and Lincoln. I began to feel patriotic and love this country. I saw it was the best government in the world, where every body was equal and had a chance. I saw that all the ideas behind the Movement came from a lot of Russians like Bakunin and Kropotkin and were meant for Europe, but we didn’t need them here in a democracy where we were free already. (686)

Such faithful speeches from a person like Parritt seem somehow strange and unbelievable. Only after two acts, he begins to describe his real motivation, which is his hate toward his mother; thus, his previous lie about the devotion to the democratic American government is revealed. Certainly the arrangement of such paradoxical expressions is not accidental and O’Neill indirectly admits the reverse of Parritt’s statements. Most of the characters in The Iceman Cometh are typical. The word ‘Type’ occurs frequently in the descriptive stage directions of Hope’s roomers: Hugo Kalmer bears “a strong resemblance to the Type of Anarchist as portrayed… in newspaper cartoons” (620); Joe Mott’s face is “midly negroid in Type” (620); Piet Wetjones is a “Dutch farmer Type” (621). Where the word ‘type’ indirectly is not mentioned, the idea remains exactly the same; for instance, James Cameron has “a quality about him of a prime, Victorian old maid” (621), Cecil Lewis “is as obviously English as Yorkshire pudding and just as obviously the former army officer” (621), McGloin has “the occupation of policeman stamped all over him” (621) and Ed Mosher “looks like an enlarged, elderly, bald edition of the village fat boy” (621). The typicality of Rocky is stressed as a “Neapolitan-American” (622) and Chuck Morello’s as an “Italian-American” (622), while the three women are called “typical dollar streetwalkers” (652). In this play just Larry Slade, Don Parritt and Theodore Hickman are individuals. These three individuals despite the differences are very similar to each other.

Only the individuals of the play are capable of rebellion against their status quo: Larry after thirty years devotion to anarchist movement rebels against it, Parritt rebels against his anarchist mother and betrays her, and Hickey rebels against Hope’s gang who trust him and consider him as a savior. He like a revolutionist constructs the inner movement and conversion within Hope’s saloon, and disturbs the accustomed atmosphere of it. Brenda Murphy in her article, The Iceman Cometh in Context, believes that “there are different realms of resistance for these three individuals” (18). She assumes Larry is a “political reformist” (19), Parritt is a “moral betrayer” (19) and Hickey is a “psychological and social rebel” (19). She states that “Harry Hope’s saloon stands as a microcosm of the world and pipe dream is the accepted
rule of its inhabitants” (7). The final unchanged situation of the saloon leads us to this reality that in modern capitalistic world there is no hope of improvement for human being. The pipe dreamers have come to Hope’s rooming house because they are failures in the outside world. What lies outside is a world without value, full of crises and a hostile society to which no man can possibly belong. In Act Three, Hickey mocks Hope when he hesitates to go out, and says: “you can’t hang around all day looking as if you were scared the street outside would bit you!” (719). The threatening automobiles in the street which arouse menace in Hope when he wants to go out symbolize the mechanized, modern and spiritless world.

For the dreamers fostering illusion is the sign of membership in the club and the subject of the pipe dream is not important. Between the characters rule certain principles of mutual acceptance, understanding and tolerance. Elizabeth Nugent mentions:

Each person is aware that the others are pipe dreamers, but he accepts, understands and tolerates all as long as he and his pipe dream too is accepted, understood and tolerated in return. Belonging to Hope’s saloon is the main concern of the dreamers. (45)

Hickey and Parritt are considered as the outsiders who fit to no group. They are doomed to affliction: Hickey is sent to electric chair and Parritt commits suicide.

O’Neill reveals the fallacious face of the Capitalist society when in the Third Act Hickey speaks about his past job as a salesman. Hickey confesses that his job is like a game: “sizing people up quickly, spotting what their pet pipe dreams were, and then…pretending you believed what they wanted to believe about themselves. Then they liked you, and trusted you, and wanted to buy something to show their gratitude” (743). Consequently the foundation of economical exchange in such society is based upon deception. According to Dollimore sometimes dissidence is embedded in the dominant system or is fed back by it; so, we realize that the whole socio-economical procedures in O’Neill’s society focus on both self and other deception. Dollimore mentions “dissident is not always in conflict with the dominant, rather there may be supportive relation between them that without one of them the other could not survive” (qtd in Brannigan 95).

O’Neill by representing such circumstances in The Iceman Cometh deliberately intends to convey that in all epochs of the history there are some individuals who under the influence of certain forces become nonconformists and attempt to oppose the common socio-political currents of their society. By denying the prevalent forces of the governing system, they inevitably have to leave the system, like Hope’s gang. Kenneth Tynan in The Review of The Iceman Cometh indicates, “O’Neill is one of the few writers who can enter, without condescension or contempt, the world of those whom the world has neglected” (qtd in Floyd 70). All characters of the play had been the active members of their society before, but as soon as they protest against the dominant structure they were obliged to be passive. They come to the end of their usefulness as Larry describes the position of the saloon: “It’s no chance saloon, the end of the line, the bottom of the sea… the last harbor. No one here has to worry about where they’re going next, because there is no farther they can go” (631). In such condition facing reality and thinking about the value of their fighting bring nothing for them, except the uncomfortable and irritating mood. Thus, they take refuge in the pipe dreams in order to continue their life as Larry states: “here they keep up the appearance of the life with a few harmless pipe dreams about their yesterdays and tomorrows” (631). Pipe dream is the only cause of their life, and O’Neill at the end of the play leaves Larry to decide whether to join the community with the peace of illusion or to face the stark reality of life.

3. Conclusion

O’Neill confessed that the United States instead of being the most successful country in the world is the greatest failure because of the foreign policy of the United States during the Wars. The Iceman Cometh is the symbolic and artistic picture of the US policy which brings disillusionment and death for Americans. O’Neill held out little hope for man in The Iceman Cometh during the Second World War. O’Neill confessed that the United States instead of being the most successful country in the world is the greatest failure because of the foreign policy of the United States during the Wars. The Iceman Cometh is the symbolic and artistic picture of the US policy which brings disillusionment and death for Americans. In the post war context of The Iceman Cometh there are different types of dissidents who try to rebel against their hopeless life, but they prefer to dream in order to forget their misery. This paper firstly deals with the dissidents in the play and secondly with their motivations for their resistance. Thus, some specific elements of Cultural Materialism are intended in this paper such as the concept of power, the representation of the resistance and the struggle between the marginal and central groups of society.
References

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Demographic Background for Development of Ukraine and Italy Pension Systems

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Abstract

Certain aspects of forming present-day Ukraine and Italy pension systems have been analyzed. It is noted that basic pension security mechanism is not only a diversified source for pension payment formation but also employs a high potential for formation of national investment resources, financial market development and growth of economic activity. The study is based on the confirmation that there is relationship between effective operation of pension system and the country’s demographics. Within the scope of work demographic data were collected, generalized and grouped in the context of pension systems under consideration. On the basis of comparison study of the main macroeconomic, social and economic indicators existing differences, similar problems and adverse trends related to basic pension security development have been identified. It is emphasized that solution of these problems shall be by means of settlement of social development system imbalances. Necessity for generating predictive demographic trends in the long-term is regarded. As part of the study a complex of general scientific and statistical methods was used, such as data generalization, grouping and comparison. Abstractive generalizations and conclusions were being drawn in terms of logical method. Proposals have been developed for improvement of the concept of present-day pension systems of the countries under consideration for the purposes of further social and economic development of Ukraine and Italy towards accomplishment of social tasks.

Keywords: pension system, social welfare state, tasks, demographics, basic pension security, pension, problems, trends, development, society

1. Introduction

Problems of moneyed assistance for elderly people take one of the most important places in the modern society. Its development corresponds to socialization of economics and rise in social consciousness of citizens. It stipulates necessity to raise the social standards of retirement income. However, these tasks require significant financial resources. They can be funded from different sources using different mechanisms of moneyed assistance. This duty can be entirely taken by a state or carried out at the expense of an employer as well as special conditions can be created for citizens to save up pensions. In modern conditions the most effective are considered mixed pension systems which combine in different ways referred to above types of retirement assets. Mixed variants give possibility to diversify sources of pension resources (Verkhovna Rada of Ukraine, 2013; The Official Website of the U.S. Social Security Administration, 2013). And with it pension systems encounter a number of problems that considerably influence mechanism of contemporary pension relations. Cardinal problems include negative (as it understood traditionally) tendencies of demographic development. Growth of elderly population in the general structure of population is referred to considerable threats of financial sustainable development of pension systems, particularly in Ukraine and Italy that requires consecutive and thoughtful analysis.

Kapitsa I., Kotlikoff L., Burns S., Kapitsa S., Libanova A. and many other authors gave consideration to the nature, point and peculiarities of retirement income in their works. However, pension systems of the investigated countries continue developing in conditions of unstable transforming society environment. That’s why demographic constituents require further consecutive analysis, assessment and harmonization with pension systems development. This explains topicality of this research. Thus, the main object of this article is analysis of separate aspects of pension systems in Ukraine and Italy by means of their demographic description, bringing to light all kinds of problems and development of directions to improve the concept of pension system in the movement of further social-economic progress.
2. Research hypothesis

consists in affirming possibility to minimize influence of demographic problems on pension systems’ perspectives according to peculiarities of their functioning in the current period.

3. Research methodology

The research is made on the basis of system approach using general scientific methods: generalization, comparative analysis. Abstract logical method was used to draw conclusions.

4. Problem description

Pension system depends on a number of factors of social and economic development. It is commonly believed that they are based on demographic imperative. Author Rudik V. expresses a thought that exactly demographic factors determine the level of pensioners’ material security in the network of pay-as-you-go pension system (Rudik, 2011). Indeed, concept of pension system demographic imperative concedes balanced development of pay-as-you-go pension system only on the assumption of following particular (optimal – auth.) correlation between elderly and young population. However this indicator is rather specific. Estimating it the level and peculiarities of the country development as well as inherent rules, customs and traditions (influencing demography) should be taken into account. One can agree to author Semenova V. who states that it is precisely the society that sets up regulatory parameters of person’s age. It stipulates specific totality and structure of possibilities at each stage of age development and specific needs to person’s way of life (Semenova, 2009). Indeed, although economic activity of a person is determined by the labour field attributes, living conditions, environmental conditions, level of public health, other reasons, however, only society puts a person into the category of able-bodied or dependent citizens.

To develop mentioned before it is appropriate to underline that modern stage of social progress has considerably transformed the plane of employment relationship. Instead of production requiring hard physical labour nowadays economic activity is mainly focused on nonproductive spheres requiring first of all high level of knowledge. It means that the problem of physical wearability (to define parameters of human organism aging and its working ability) isn’t as important as it was before. It gives possibility to examine categories of economically active and retirement age population more attentively. There are a lot of definitions of economically active population. Some of them are presented in table 1.

Table 1. Definition of “economically active population”

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<thead>
<tr>
<th>Author (source) of category definition</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Big encyclopedia of economics (Varlamova, 2007).</td>
<td>It is a category of population that offers its labor force for manufacturing process in exchange for emolument</td>
</tr>
<tr>
<td>Demographic encyclopedia (Valentey, 1985).</td>
<td>Economically active population is a part of population engaged in generally useful activity bringing in return</td>
</tr>
<tr>
<td>Economic statistics (Ivanov, 2006)</td>
<td>Economically active citizens are persons engaged in economic activity that brings in return: (employed) and unemployed. According to the concept of labor force it is a population between the ages of 15 and 70 years old ensuring supply of labour to make products and services for a certain period of time.</td>
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</table>

Given definitions bear testimony to different approaches to understand this category in terms of economic activity potentiality and its practical implementation. It should be mentioned that to assess pension system these two approaches must be differentiated and their implementation should be discussed. We think that in the movement of pension system development, economically active population is a category of population of definite age limits. In the course of these limits it maintains possibility to carry out generally useful (economic) activity bringing in return liable to premiums according to pension legislation. Adequate determination of economically active age (of population) can be considered the basis to form the level of retirement age.

It is important to mention that there are also a lot of treatments in definition of “retirement age”. Some of them are given in table 2.
Table 2. Definition of “retirement age”

<table>
<thead>
<tr>
<th>Author (source) of category definition</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finances: Glossary (Biatler, 1998).</td>
<td>Age at which pension is started to be paid regardless of whether a pensioner stopped or continue working</td>
</tr>
<tr>
<td>Demographic encyclopedia (Valentey, 1985a).</td>
<td>Age at which old-age pension is fixed.</td>
</tr>
</tbody>
</table>

It can be stated that category pensionable age is used as a rule as a conditional test for working capacity of adults achieved the moment when they are dispensed from working (by the state) and are considered conditionally disabled. It is important to mention that in conditions of multilevel (mixed) pension system concept “pensionable age” loses its direct meaning. Besides modern pension system in the network of state retirement programs provides “disability pension”, “survivor’s pension” that considerably pushes the envelope of present definition. In the network of mixed pension system where responsibility for pension assets is divided between the state, an employer and a person they all have their own criteria to define concept “pensionable age” that is shown in table 3.

Table 3. Principal criteria of pensionable age

<table>
<thead>
<tr>
<th>Member of pension relations</th>
<th>Ratable criterion</th>
<th>Tendency to growth (reduction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>Development of economy. Financial ability to provide pensioners</td>
<td>Growth</td>
</tr>
<tr>
<td>Employer</td>
<td>Younger age labour requirements (physical and intellectual).</td>
<td>Reduction</td>
</tr>
<tr>
<td>Person</td>
<td>Ability to do the work, income level</td>
<td>Reduction</td>
</tr>
<tr>
<td>Society</td>
<td>Readiness of young population to support elderly citizens</td>
<td>Growth</td>
</tr>
</tbody>
</table>

Source: The author’s definition

Attention is drawn to different interests of pension relations’ participants in the network of given concept. Society and the state express desire to raise the pensionable age. Employer is interested in exploiting of more productive (younger) worker. Person himself (herself) first of all defines this criterion according to his (her) physical state and ability to do the work on a level with young workers. That’s why, from our point of view, concept of pensionable age should reflect all specified criteria as a complex. To our mind, it can be formulated as population age at which person cannot do the work (physical or intellectual) on a level of necessary requirements and the state fixes critical degradation line (excluding his/her ability to perform professional duties). It finances moneyed assistance to support person’s needs and society expresses the willingness to maintain this group of people at the expense of working population (subject to determinate conditions). An opinion is passed that optimal retire age is the age at which on other equal status there isn’t transfer of income between generations. According to calculations optimal pensionable age is 64,7 years - in Italy (2006), 57,9 years – in Ukraine. Calculating in prolonged perspective up to 2045 – 2050 – correspondingly 68,7 and 62,9 years (Londar & Bashko, 2011).

It is appropriate to underline that using this summarized characteristic of pensionable age it isn’t possible to cover and take into account all individual peculiarities of people in the network of their economic activity and pension relations. According to this author Nazarov V. considers the principal problems of pension system are pension legislation shortcomings regulating comparatively not high level of retirement age (as against other European countries – auth.). Even so demographic condition of the country is estimated as moderately favorable (Nazarov, 2010). Author Libanova E. characterizes prevailing age tendencies in Ukrainian structure of population as “progressing demographic aging” (Libanova, 2012). Along with it authors Kotlikoff L. and Burns S. in their “demographic quadrant” assessed present situation and perspectives of demographic development of postsoviet countries negatively. Such facts as low birth rate and high death rate give occasion to put these countries into the category of “dying out”. The authors think that Italia as majority of European countries ranges with “feeble quarter”, that is swiftly aging countries. They are notable for low birthrate and high life interval (Kotlikoff & Burns, 2004). Highlights defining demographic situation and labour-market in Ukraine and Italy are given in table 4.
Table 4. Demography and Labor Markets Parameters in Ukraine and Italy in 2012-2013

<table>
<thead>
<tr>
<th>Parameters/ Country</th>
<th>Ukraine</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>44.6</td>
<td>61.5</td>
</tr>
<tr>
<td>Age Distributions (% of population)</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>0-14 years</td>
<td>13.9</td>
<td>13.8</td>
</tr>
<tr>
<td>15-24 years</td>
<td>12.1</td>
<td>9.9</td>
</tr>
<tr>
<td>25-54 years</td>
<td>45.0</td>
<td>43.2</td>
</tr>
<tr>
<td>55-64 years</td>
<td>13.5</td>
<td>12.3</td>
</tr>
<tr>
<td>65 years and over</td>
<td>15.5</td>
<td>20.8</td>
</tr>
<tr>
<td>Median age (total), years</td>
<td>40.3</td>
<td>44.2</td>
</tr>
<tr>
<td>Median age (male), years</td>
<td>37.1</td>
<td>43.0</td>
</tr>
<tr>
<td>Median age (female), years</td>
<td>43.5</td>
<td>45.3</td>
</tr>
<tr>
<td>Population growth rate, %</td>
<td>-0.63</td>
<td>0.34</td>
</tr>
<tr>
<td>Life expectancy at birth (total population), years</td>
<td>68.93</td>
<td>81.95</td>
</tr>
<tr>
<td>Life expectancy at birth (male), years</td>
<td>63.41</td>
<td>79.32</td>
</tr>
<tr>
<td>Life expectancy at birth (female), years</td>
<td>74.8</td>
<td>84.73</td>
</tr>
<tr>
<td>Expectancy population at 2050, million</td>
<td>39.3</td>
<td>41.2</td>
</tr>
<tr>
<td>Labor force (million)</td>
<td>22.06 (2012 est.)</td>
<td>25.28 (2012 est.)</td>
</tr>
<tr>
<td>Labor force by occupation, (%):</td>
<td>100.0 (2012 est.)</td>
<td>100.0 (2011 est.)</td>
</tr>
<tr>
<td>- agriculture, %</td>
<td>5.6 (2012 est.)</td>
<td>3.9 (2011 est.)</td>
</tr>
<tr>
<td>- industry, %</td>
<td>26.0 (2012 est.)</td>
<td>28.3 (2011 est.)</td>
</tr>
<tr>
<td>- services, %</td>
<td>68.4 (2012 est.)</td>
<td>67.8 (2011 est.)</td>
</tr>
<tr>
<td>Unemployment (% of workforce),</td>
<td>7.4 (2012 est.)</td>
<td>10.9 (2012 est.)</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency (2013)

Attention is paid to the fact that each of investigated countries has its own historical background of social development modern demographic constituent. However, analyzing reduced rates certain similarity can be noted first of all in such base demographic elements as the age structure of a population and labour-market structure. Unemployment rate doesn’t differ much (3.5%). The main difference in demographic situation is life expectancy rate which in Italy exceeds by 13.02 years the similar one in Ukraine. Especially negative common feature of analyzed countries is expected considerable depopulation of the investigated countries by 2050. These pessimistic predictions must result in important influence on the principal conceptual regulations of analyzed countries pension systems. It’s important to take into account that population forecasts are usually drawn up subject to birth rates, death rates (migration rates, others – auth.) and using different methods, for example (Kapitsa, 2008):

\[
P_n = P_0 \times \left(1 + \frac{PT}{1000}\right)^n
\]

where \(P_n\) - population size in n years;
\(P_0\) - current population size;
\(PT\) - supposed changes of population size per a year.

It should be underlined that it is very important to consider all factors influencing demographic tendencies for a long perspective in conditions of mixed retirement insurance scheme. It is important to take into consideration as internal so interstate and globalization elements of influence. Thereupon, conclusions of scientist Kapitsa S. are of a great interest. He notes inaccuracy of existing earlier rules to consider Earth population just as arithmetic sum of separate, not interacting populations. On his opinion the main task of demography is to explain population upsurge subject to concrete social and economic conditions (Kapitsa, 2012). The scientist drew two conclusions. Firstly, it’s devoid of sense to differentiate demographic processes according to countries in conditions of globalization. Secondly, such or such demographic tendencies don’t depend on social-economic conditions to such an extent as it was considered before. It is corroborated by decline in the rate of population growth in economically developed countries when population doesn’t recommence but grows old swiftly. Opposite tendency can be observed in the developing world – growth of young people in the general structure of a population. As a result of so-called “birth rate crisis” number of children per each woman is...
dramatically decreasing in developing and economically well-to-do countries. Thus, in Spain and Italy this number equals 1.20, in Germany - 1.41, in Japan – 1.37. In Ukraine this rate equals 1.09 (on an average 2.15 is required to ensure simple reproduction) (Kapitsa, 2012a). Paradox of present situation makes to broaden range of factors defining demographic descriptions. Factors determining development of demography include level of possibilities for woman’s self-actualization in the modern society. Besides, crisis of moral and family values also plays certain role in demographic situation.

However, basic research of human’s nature conducted by this scientist enabled him to draw further conclusions and assert deep unity of mankind development as uniform system realizing unique properties of human mind phenomenon. The author underlines that mankind development is based on informational, collective growth mechanism that is submitted to its own internal forces defining peculiarities of demographic development in such or such period of time. He introduces the concept of demographic imperative phenomenological principle affirming that growth of population is first of all determined by internal processes of mankind development but not resources or other though significant factors. The scientist asserts that exactly this fact differs demographic imperative from popular Maltus principle that population upsurge is restricted by extra inputs. Moreover the author arrives at a conclusion that resources control (ensuring upsurge) can’t be regarded as a factor determining global demographic development (Kapitsa, 2012b). The main factors of demographic tendencies in current conditions are given in table 5.

**Table 5. Main factors of demographic tendencies**

<table>
<thead>
<tr>
<th>Factors of demography development</th>
<th>Description in the context of pension relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of economic and social development of a state</td>
<td>Determines economic opportunity and social standards established by the state</td>
</tr>
<tr>
<td>Development of person’s consciousness</td>
<td>Specific laws of mankind development in terms of its mind peculiarities</td>
</tr>
<tr>
<td>Level of society development</td>
<td>Determines organization of citizens’ moneyed assistance</td>
</tr>
<tr>
<td>Gender characteristics</td>
<td>Gender structure of population. Possibilities of woman’s development and self-actualization</td>
</tr>
<tr>
<td>Influence of globalization</td>
<td>Socialization and acceleration of development process</td>
</tr>
<tr>
<td>Gene pool degradation</td>
<td>Natural selection inaction</td>
</tr>
<tr>
<td>Nonfinancial factors</td>
<td>Crisis of morality and lowering of trust in the network of all public relations</td>
</tr>
</tbody>
</table>

Source: the author’s definition

Turchin A. expanded boundaries of researches devoted to globalization consequences and their influence on demographic tendencies of development. The researcher pays attention to one of the most important risk factors of globalization influence on demographic condition. The scientist believes that improving quality of life holds up natural selection. The author establishes linkage between this circumstance and probability of mutagens cumulation, their uncontrolled influence and DNA deformation that can further genetic mutations and lead to problems of reproduction and mankind population extinction at all (Turchin, 2011).

In the context of demographic researches scientists also pay attention to nonfinancial aspects of society development. Trust is regarded as a significant factor of moral basis for demographic development. Its manifestation is felt on different levels – from trust between members of one family to trust to financial institution, legislation, law, justice, state itself as well as to principles of democracy (Kapitsa, 2012c). Lowering of trust indicates destruction of relations in the society and is an indicator of demographic problems.

It should be noted that research circles also pay attention to solidarity slackening in the network of interpersonal and intergenerational relations. In the process of postindustrial society building, aims of population demographic reproduction become more and more far from ideal. Individualism became dominant in interpersonal and intergenerational relations. Demographic, particularly reproduction behavior became regarded as a private affair (Sadova, Tsapok, & Bidak, 2011). Thus, in conditions of deformation of principal basic constituents of demographic development concept, corresponding to modern pensions system requirements, it is necessary to change radically traditional views on cause-effect relations in demographic processes. Interrelation and interdependence of demographic profiles, economic sphere, labor-market and pension relations give possibility to find out potential of their usage in the network of mixed pension system. The main parameters of pension systems of Ukraine and Italy are presented in table 6.
Table 6. Comparison of pension system parameters in Ukraine and Italy

<table>
<thead>
<tr>
<th>Type/Parameter/Country</th>
<th>Ukraine</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of program:</strong></td>
<td>Social insurance and social assistance system</td>
<td>Notional defined contribution (NDC) and social insurance system</td>
</tr>
<tr>
<td><strong>Pension Coverage</strong></td>
<td>All citizens, foreigners, and stateless persons employed under labor agreements or self-employed persons. Voluntary coverage is available. Special systems for civil servants, legislators, judges, National Bank employees, diplomats, journalists, scientists, local governors, and victims of the Chernobyl disaster.</td>
<td>NDC: All employed persons, including household employees, whose insurance period began on or after January 1, 1996. Voluntary coverage for contract and professional workers not covered by any specific fund. Mixed social insurance and NDC: All employed persons, including household employees, with less than 18 years of contributions as of December 31, 1995. Voluntary coverage for contract and professional workers not covered by any specific fund. Special systems for public-sector workers and self-employed persons. Social insurance: All employed persons, including household employees, with at least 18 years of contributions as of December 31, 1995. Voluntary coverage for contract and professional workers not covered by any specific fund.</td>
</tr>
<tr>
<td><strong>Retirement age:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old-age pension</td>
<td>60 (men and women)</td>
<td>Age 66 (men and women in the public sector), age 62 (women in the private sector, rising gradually to 66 by 2018).</td>
</tr>
<tr>
<td>Old-age pension (social insurance)</td>
<td>-</td>
<td>Age 66 (men and women in the public sector), age 62 (women in the private sector, rising gradually to 66 by 2018).</td>
</tr>
<tr>
<td>Social pension (old age)</td>
<td>Age 63 (men) and age 59 (women, gradually rising to age 63 in 2021).</td>
<td>-</td>
</tr>
<tr>
<td>Social allowance</td>
<td>-</td>
<td>Age 65</td>
</tr>
<tr>
<td>Disability pension</td>
<td>Reduced age</td>
<td>Reduced age</td>
</tr>
<tr>
<td>Survivor pension</td>
<td>Special conditions (for dependent’s age)</td>
<td>Special conditions (for dependent’s age)</td>
</tr>
</tbody>
</table>

Sources: The Official Website of the U.S. Social Security Administration (2013a)

It is indicated that pension systems of the investigated countries include different parameters of retirement insurance. Degree of their liability to the influence of demographic factors is a debatable question. Author Rudik V. believes that financial defined contributions are less susceptible to the influence of demographic factors (Rudik, 2011a). On the contrary researchers Kotlikoff L, Burns S suggest the all-embracing character of demographic influence including financial defined contributions (Kotlikoff & Burns, 2004a). It should be mentioned that from three systems stipulated by the concept of Ukrainian pension system financial defined contributions are still not introduced. Author’s Londar S., Bashko V. pass an opinion that introduction of financial defined contributions can cause such positive consequences as increase of GDP growth rate. Formation of long-term resources will give possibility to raise the level of investment in economy. However up to 2045, as the authors asserts, rate of increase of national debt volume will be higher than GDP growth rate at the cost of decline in working age population, in whole debt-load will be increasing (Londar & Bashko, 2012). It confirms that it is necessary to improve the concept of demographic development in the network of pension system development. On our opinion, the main point of necessary transformations should be based on expanding understanding of demographic processes’ driving-power. It should consist in review of main basic concepts that influence pension relations. Nowadays it is necessary to change certain social stereotypes about role descriptions of economically active population of the elderly age. Thus, minimization of population physical wearability (professional disactualization) will enable to broaden potential of its economic activity in the network of established negative demographic tendencies.
5. Conclusion

Within the framework of this research, it can be alleged, that pension systems potential isn`t being unlocked in full in the analyzed countries. The research has confirmed hypothesis that pension systems of Ukraine and Italy are functioning under conditions of unfavorable demographic situation. Carried out analysis of scientific researches and publications gave possibility to extend boundaries of factors used for demographic rates and tendencies forecasting. Significant transformations in person`s economic activity enable to revise boundaries of his/her economic activity. To improve efficiency of pension system in the context of existing demographic tendencies, we think, it is necessary:

1. To find out and generalize combination of factors influencing demographic development.
2. To develop multifactor methodology for long perspective demographic determinants forecasting.
3. To develop strategy for optimization of long-term demographic development taking into account a number of factors in the context of current pension system requirements.

Introduction of itemized arrangements will enable to improve efficiency of investigated countries` pension systems in the context of social tasks solution and further social-economic development.

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Strategic Human Resources Management: Human Resources or Human Capital

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Abstract:

Knowing that many or majority of companies do have human resources management department, there are some companies that have human capital management. Even these departments may not have to many differences they are slightly diverse. Strategic human resource management usually is inner company’s department which is erected or created with aim of helping company to meet the needs of their employees while promoting company goals and objectives. In common, Strategic Human Resource Management deals with any aspects of a business that affects or directly deals with employees more precisely such as hiring, pay, benefits, training, and administration, and even the bitter act of firing, respectively. Strategic human capital management has almost the same operating function, but they are more focused on people to treat as real capital or asset. Retention of employees is main objective of SHCM (Strategic Human Capital Management). Objective of is to offer to the employee advanced trainings, education, and improve overall working conditions since current market changes require a strong built tram within the organization or company aiming to able to compete towards everyday stronger and stronger competitors worldwide.

Keywords: Competition, Goals, Human resources, human capital, Objectives, Strategic.

1. Introduction

While on today’s business world common meaning of capital is obtaining of funds to start up or rejuvenate a business, there some thoughts that even people as part of a business entity or company are capital that provides to the business its revenues and money stream. It may always make people to judge or be seen wrong for some who besides money are not used to count anything else as capital to run a business, but there are some that share thought with me and many others who think same as I do- humans in our case working people, employees, can be counted as business running capital. This can be better understood as depicted in [1] “Economic success crucially relies on human capital – the knowledge, skills, competencies and attributes that allow people to contribute to their personal and social well-being, as well as that of their countries.”

Many companies struggle to find best possible managers, directors, chief executives, and other staff in order to accomplish objectives of company. Even, many of those companies are wealthy enough and financially stable, there are some critical times when people for them worth a lot. So, for many companies forecasting are made based on their human capital, which are kept as running capital for their goal accomplishment by implying them into the business strategies as a primary tool for success.

Performances, productivity, creativity, innovation, personal attributes, behavior towards customers or clients are among essential component that make a company or a business prevail upon competition and entire coarse business world, in many occasions. Hence, looking into the core of business concept, we see that humans are very attractive and useful capital to have and use. Also, looking closely for many businesses that are service providers and their major operation is based only on human performance; it’s so obvious that besides human capital we hardly find a proper word to call them. To have clear view about, we refer to [6] “Organizations today compete in a global marketplace. In order to survive they must adapt quickly to an ever changing environment whilst meeting the demands of their increasingly sophisticated consumers and balancing the demands of their shareholders.”

2. Humans as capital and valuable assets in Strategic Management

Reference [3] shows that “The fundamental aim of strategic human resources management is to generate strategic capability by ensuring that the organization has the skilled, committed and well-motivated employees it needs to achieve
sustained competitive advantage –Armstrong (2004).” Based on this description many Strategic Human Resources Managements may align their policies of management for usage of its human as valuable part of their organization or team to build a sustainable and strong company crew. In order to grow, nowadays any company attempts to make its personnel as flexible as possible to adapt into the new market requirements. Many companies do spend lots of time and efforts to create inside their firm best human resources management strategically focused towards fast moving pace of market changes which inescapably requires its personnel to act as one, and behave as one in order to succeed. As in [4] Wright and Snell (1998) pointed out:

“The strategic management challenge is to cope with change (requiring flexibility) by continually adapting to achieve between firm and its external circumstance… Fit exist at point in time, flexibility is a characteristic that exist over a period of time.”

Again as in [4] mentioned earlier fast changing market environment, Gratton (1999) says that:

“Strategy may well be developed as it is being implemented because of the new demands arising from a changing environment, and he adds that capability of transforming and using team or personnel depends in part on the ability to create and embed process which links business strategy to the behaviors and performance of individuals and teams.”

Clearly enough, Gratton describes the role of strategic human resources management when they are accountable and many times major players in deciding and making warm working environment for many smart, clever, and savvy employees with whom company’s goals can be achieved. So I would like to point out the fact that sometimes I may disagree with when many entrepreneurs many times say: It is hard to find and keep committed to the duty and reliable to the company employee, but looking from the angle of a manager I would said that if personnel is appreciated and utilized as a capital or even an asset, many entrepreneurs would rather change their mind. Shown in [5] “ RGS empowers your staff to get the right things done at the right time in the right way to help realize your mission and generate results. We identify, develop, design, implement, and evaluate human capital management (HCM) strategies and tools based on best practices that deliver workforce capability and organizational culture.”

RGS is the consulting company that offers to the worldwide companies their services for performance enhancements and overall success. Thus, we see that businesses such are RGS besides human capital they barely do have any other capital or asset to be proud of make profits to survive in business.

According to Gary S. Becker shown in [2], university professor of economics and sociology at the University of Chicago, he states that:

“Tangible forms of capital are not the only type of capital that most of the people think for bank accounts, shares of certain companies, stocks, assembly lines, or steel plants. He adds that schooling, a computer training course, expenditures on medical care, and lectures on the virtues of punctuality and honesty are also capital. That is because they raise earnings, improve health, or add to a person’s good habits over much of his lifetime. Therefore, economists regard expenditures on education, training, medical care, and so on as investments in human capital. They are called human capital because people cannot be separated from their knowledge, skills, health, or values in the way they can be separated from their financial and physical assets.”

Considering all thoughts and statements about the humans as capital or assets, I do remain pro this statement and firmly accept that humans are really capital to a company, organization, or business entity. As I gave some of the facts above, cited many economists and scientists, I like to add that looking from a prospective of a manager, humans are to be considered as main or crucial part of any business. From my day in day out experience, I see employees as worth asset as well. Considering that changes in business occurs every day and some many not catch the pace of changes, a person must admit that humans in every company or business must be used according to the environmental which business surrounds. Again, though, based on my point of view, people or human in businesses must be handled carefully, integrated, and fit into the inner strategic business managerial politics in order to get counted as a real capital.

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A Business Survival Framework for African Immigrant-owned Businesses in the Cape Town Metropolitan Area of South Africa

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Abstract

Using incoming revenues and the associated costs that underpin the concept of breakeven analysis, this article investigates the business survival strategies of immigrant-owned businesses in the context of African immigrants in the Cape Town Metropolitan Area of South Africa, and proposes a framework for the start-up survival of these businesses. The study was designed within the quantitative and qualitative research paradigms. A triangulation of three methods was utilised to collect and analyze the data. The research revealed that African immigrant entrepreneurs face a range of challenges when starting their businesses and again as they try to grow or stay afloat. Furthermore, the study indicated that African immigrants rely more on certain entrepreneurial attributes as they seek innovative solutions to the problems that they encounter relating to business. As a business survival strategy, these immigrants develop a number of unconventional initiatives aimed at increasing sales revenue while minimising cost.

Keywords: immigrant-owned businesses, business survival framework, African immigrants, entrepreneurial characteristics and business obstacles.

1. Introduction

The literature on small business and economic development includes the issue of promoting small business start-up and reducing the small business failure rate which are two parallel challenges faced by practitioners and scholars of entrepreneurship and economic development. On the one hand, as pro-SMME lobbyist (Sinha, 2003; Lee, Florida & Acs, 2004; Markova & Petkovska-Mircevska, 2009) promote a huge small business sector, on the other hand, those against a huge SMME sector are weary of the high failure rate associated with small businesses (Acs, 2001:41; Chandra, Moorty, Nganou, Rajaratnam, & Schaefer, 2001). Amidst, this excitement and worry, not only has a high business start-up rate has been associated with the immigrant community, a significant failure rate has also been noted too (OECD, 2010).

Starting and running a business is not ‘an end in itself’ but rather a ‘means to an end’. Here, the end may vary depending on the motivation. People are either ‘pushed; or ‘pulled’ into self-employment (Guzy, 2006; Pinkowski, 2009; Tengeh, Ballard & Slabbert, 2011). However, Aldrich and Waldinger (1990) point out that founding and running a business, no matter how small, is a demanding task and only a fraction of those who start are ultimately successful.

Regardless of the reason or mode of entry, all business owners strive to succeed. In order to ensure continuity, referred to as success, the business has to be profitable or self-sufficient (Kloosterman & Rath, 2001) and this can only be achieved if the business is run in a particular manner. Understanding the process that ensures the success of a business becomes important in achieving the overall goal of the business. In the quest to understand how to make a success of a business, land, labour, capital and entrepreneurship have been found to be vital factors (Federal Reserve Bank of Dallas, 2010). A growing concern, however, is the inherent difference in the endowment of these factors across regions and within the same geographical space: how well these factors are combined determines the success of a business.

In addition to the traditional factors of production associated with starting and operating a business, Tesfom (2006) notes the importance of other loosely related factors such as the business environment, having the entrepreneurial drive, the necessary skills, the regulatory environment, and finance among other things. Certain resources are infinite whilst others are limited. Once the business is started, its survival and growth depends on the aforementioned factors.
Given the perceived importance of business-related resources for business start-up and operation (Cassia, 2006) and the apparent lack thereof in South Africa (especially with regard to finances from formal financial institutions for immigrants), coupled with the growing need for more businesses to be started, it becomes obvious that every avenue should be explored to ensure the survival of newly started businesses. In the absence of enough employment opportunities, further compounded by the nature of the work permits (mostly short-term and inconsistent) issued to most immigrants and particular the immigrants under study, the most logical first step in pursuing an economic activity in their host country becomes starting a small business.

According to Rogerson (2000), a key issue for policy development surrounding SMMEs concerns the determinants of successful SMMEs. In South Africa, Rogerson (2000) further notes that the current ‘state of the art’ of research is relatively low with regards to work on the determinants of success in the small enterprise economy. A close look at the immigrant community and at immigrant businesses, certain similarities as well as inter-group differences in the way they start up and operate their businesses in South Africa may be identified. However, little is known about the strategies utilised to make a success of a business. Given the afore, it becomes important to understand how these immigrant-owned businesses operate, given that they have limited or no access to formal business-related support institutions.

Considering the increasing number of immigrants in South Africa today and the high level of unemployment, an extensive debate, analysis and attention would be expected on how immigrants can contribute meaningfully to the economy through self-employment. Such a debate may relate to immigrant self-employment patterns and businesses. On the contrary, the literature on immigrant-owned businesses in South Africa has been largely overlooked and neglected by academics and researchers. Rarely have immigrant-owned businesses been singled out and treated in their own right. A discouraging aspect given the fact that studies conducted on immigrant-owned businesses elsewhere all attest to the huge potential of immigrant entrepreneurs, and the positive contribution that they can make with regards to reducing unemployment.

Although the immigrant community is generally associated with having a higher tendency towards entrepreneurship with a subsequent higher business start up rate than the natives (Van Tubergen, 2005; Pinkowski, 2009), they are, nonetheless, also prone to failure within the first three years following start-up. Limited job opportunities force African immigrants into self-employment (Tengeh, et al, 2011). However, due to numerous start-up and operation challenges, only a few of these immigrant-owned businesses survive beyond three years or grow. In this article, it is argued that most of these African immigrant-owned businesses fail to reach their full potential, because the owners are unable to develop efficient survival strategies.

The question this article seeks to address is: what survival strategies do African immigrants employ in an effort to prolong the survival of their business. Arguing that the survival strategies devised by African immigrants are in response to the challenges they face as well as the salient entrepreneurial characteristics they possess, the following sub questions are formulated:

- What problems do African immigrants encounter as they start-up and operate a business in South Africa?
- What entrepreneurial characteristic(s) do African immigrants perceive as effective for the successful start-up and operation of immigrant-owned businesses in South Africa?

2. Literature Review

The literature on small business development in general and immigrant entrepreneurship in particular, is inconsistent as well as inconclusive. Although small business and entrepreneurship in general have been widely researched in both the developed and less-developed countries, this cannot be said of immigrant-owned businesses in the latter. No study in South Africa addresses the business survival strategies that African immigrants utilise.

2.1 Small business failure rates

A burning issue that justifies the concern with the establishment and growth of SMMEs is the fact that small businesses tend to have a high failure rate. It has been suggested by Bygrave (1997), and Timmons (1999) as quoted in Swanepoel (2008), that the majority of small business failures occur within the first two to ten years. Evidence from several countries suggests that although immigrants are more likely to start-up a business than natives, their businesses are also more likely to fail. In France for instance, longitudinal data indicates that only 40% of immigrant-owned businesses (non-EU) created in 2002 were still in existence after five years, compared with 54% of corresponding native businesses (OECD, 2010). The rates as observed by the OECD (2010) turn to vary according to the economic conditions prevailing in the
host country. For instance, when the French economy is doing well, there is a little difference in the survival rates between native and immigrant-owned businesses. Generally, the reasons advanced for small business failure can be grouped as exogenous and endogenous.

2.2 Small business start-up and growth/survival

According to Von Broembsen, Wood and Herington (2005), the creation of a new business is a two-phase process. The first phase is the start-up phase, a three–month period when (one or more) individuals identify the products or services that the business will trade in, access resources such as finance and put in place the necessary infrastructure which includes staff. When the business is in this phase it is referred to as the start-up phase (Von Broembsen et al, 2005).

The next phase, a period of 3 to 42 months is when this new business begins to trade and compete in the market place. When a business is in this phase of development, it is referred to as a new firm. The definition of a new firm is a business that has paid salaries or wages for longer than 3 months (Von Broembsen et al, 2005). It is therefore, possible to classify a business as a start-up indefinitely if it fails to pay salaries and wages. Once a business has established itself and is more than 42 months old it is referred to as an established business (Von Broembsen et al, 2005).

The TEA index, the primary measure used to compare the rate of entrepreneurship both amongst countries and annual variations with a country, measure the number of new businesses that are started in a given year. South Africa’s Total Entrepreneurial activity (TEA) is estimated at 5.15% (Von Broembsen, 2005). In other words, between 4.32% and 5.95% of South African adults between the ages of 18 and 64 have started a business in the last 3 ½ years with others or on their own. While a slightly higher figure of 5.4 for South Africa’s TEA was recorded in 2004, the difference is not significant and falls within the range of the last 4 years (Broembsen, 2005). South Africa’s ranking has dropped from 20th position out of 34 countries in 2004 to 25th out of 35 countries in 2005.

2.2.1 Defining and measuring business success

Acquiring the necessary resources for business start-up and operation has been noted to be a challenging task (Jacobs, 2003). Success draws one’s attention to a task satisfactorily completed according to specified standards. In order to measure success, a standard or benchmark must have initially been set, against which the result would be compared (Tengeh, et al, 2011). In business, different dimensions have been used to indicate success. For instance, profit is commonly used to indicate success (Kloosterman & Rath, 2001). Other indicators of success include survival or numbers of years that the business has existed, which is ultimately indirectly linked to profit, in that a business that does not break even is doomed to close down.

In a study in Germany, Fertala (2006) defined a successful immigrant entrepreneur along the following lines:
- The longer an immigrant survives in business the more successful he or she is.
- The faster the process of incorporating new information than relying on past experience, the more successful the entrepreneur is.
- The greater the sales volume, the more successful the entrepreneur is.

In this article, the duration in business and sales volume are seen as the fundamental indicators of success. In view of the foregoing, knowing that sales volume and associated cost that signals profit becomes relevant.

2.2.2 Break-Even Analysis

A concept used in economics and accounting, break even analysis is the method used to determine the breakeven point in a business venture. The break even point is used to depict that point in a business where no profit has been made, nor have any losses been incurred (Feinberg, 1989). From a managerial or entrepreneurial perspective, the concept of break-even analysis seeks to find the quantity of output that just covers all costs so that no loss is generated. In this article, we presume an immigrant entrepreneur will not quit the business until such a time when the business is consistently making losses.

The most important elements in the break-even analysis are revenues and costs. Whether a business breaks even or not depends on the relationship between the incoming revenues and associated costs to a significant extent. In terms of the break-even analysis, a business therefore faces the following strategic options: strike a balance between incoming revenues and associated costs or ensure that such revenues exceed the associated costs. One may suggest that increasing revenue while maintaining or reducing cost becomes a key element in the efforts to ensure business
survival or success. As Tozzi (2008) notes, businesses need to recognise runaway costs early and make reasonable cuts if they have to survive especially during turbulent times.

Tozzi (2008) further notes that some common ways of reducing cost include cutting down on electricity bills, buying cheaper fixtures, using cheaper business space and so forth. As far as increasing revenue is concerned the most generic tool utilised is the 5 Ps (Marketing mix) and immigrant entrepreneurs have been successful in adopting them to suit their unique circumstances.

2.3 Immigrant entrepreneurship

Immigrant entrepreneurship refers to entrepreneurial activities carried by immigrants just after arrival in their host country, either through personal initiatives or with assistance from acquaintances in the host or country of origin. The businesses owned by immigrants are referred to as immigrant-owned businesses. Other terminologies used to describe immigrants who carry out entrepreneurial activities include: ethnic entrepreneur, immigrant entrepreneur and minority entrepreneur.

While noting that in reality the difference between an entrepreneur and a non-entrepreneur does not clearly exist, Fertala (2006) suggests that an immigrant entrepreneur is one who has either:

- Established a business venture or acquired a (family) business alone or with a group of partners, or
- Indicates himself to be self-employed in an incorporated versus unincorporated business.

Considering that there is probably no significant difference between an entrepreneur and a non-entrepreneur as suggested by Fertala (2006), the question that comes to mind would be whether there is a difference between entrepreneurial activities carried out by foreign-born and native entrepreneurs. The answer to the preceding question may lie in the preponderance of business start-up between the two groups as well as the survival rate of these establishments.

2.4 An overview of the South African immigration regime

While acknowledging the inconsistent account of the number of immigrants in South Africa noted in the foregoing sections, this section explores the immigration regime in South Africa. Prior to 1998, all immigration to South Africa (including refugees) was centralised and accommodated by the Aliens Control Act 96 of 1991, which was only slightly amended in 1995 by the Aliens Control Amendment Act 76 of 1995 (Minnaar, 2000).

According to Minnaar (2000), the Aliens Control Act 96 of 1991 was an example of a poorly crafted piece of legislation with gross human rights violations. For instance, Minnaar (2000) noted that the 1991 Act, among a number of things, provided for:

- Arbitrary stoppages on the streets by immigration officers to identify undocumented immigrants.
- Police to search without a warrant, a suspected illegal immigrant’s place of residence once found without a passport or South African identification document.
- Such an arrested ‘undocumented’ immigrant to be detained immediately at a detention facility or in police cells without being allowed to gather any personal possessions or dispose of property and goods that they might have accumulated in South Africa.
- An arresting officer to sign the removal warrant (Section 44) without the illegal/undocumented migrant ever having a court appearance or access to legal representation once it was established that the arrested suspect was an undocumented immigrant.
- The South African Aliens Control Act made no provision for an appeal through the courts against a removal warrant although other legal arguments for a stay were used to delay or reverse a removal warrant once such was issued.
- In addition, the South African Act made no provision for access to legal counsel or for the provision thereof to a person deemed to be an undocumented migrant, especially after a removal warrant had been issued to such a person.
- In the 1991 Aliens Control Act, there was no provision for immigration tribunals and no specific appeal to the courts on questions of law or a right to legal counsel/representation.
- The Act allowed for the detention of a suspected undocumented migrant for 48 hours, after which a removal warrant had to be issued but the detainee could then be detained for 30 days while awaiting removal/deportation from the country.
- The 1995 Aliens Control Act also set out certain visa conditions with six different categories: tourist, business, work, study, medical (coming in for treatment), and permanent resident. However, if a traveler wanted to
change the status of a visa while in the country, the Act required them to exit the country and make such application from outside of the country. For instance one could not come into the country on a tourist visa, find a job and then apply for a change of visa status. Furthermore, those seeking to immigrate to South Africa came in under very strict skills-based conditions, only if one had a scarce skill and a job offer, could they come in as an immigrant, or they would need to invest substantial amounts in South Africa (R750 000, approximately US$100 000).

- There was virtually no provision for the entry of unskilled immigrants. There was also a provision for family reunions, but in 1995 the DHA imposed a condition on South Africans marrying foreigners by making them pay a sum of R7 000 (US$1 000) in order to try to stop the abuse of the practice of temporary or sham marriages by foreigners trying to get into the country.
- The 1995 Amendment to the Act increased sanctions and fines (up to R40 000 – US$6 000) on employers employing illegal or undocumented migrants.
- Nowhere in either the 1991 Act or the 1995 Amended Act, is the word ‘refugee’ or ‘asylum seeker’ mentioned. Accordingly, such categories of migrants were treated the same as immigrants seeking to come to South Africa and had to apply (from outside of the country) for permits to enter the country.
- No cognisance was taken of their political status in granting temporary residence permits. More often than not they were treated as illegal and undocumented migrants.

In 1996, the Department of Home Affairs initiated a process to re-examine all migration legislation for the purpose of formulating new policies for future migration and the handling of asylum seekers, refugee status and undocumented migrants, which resulted in the so-called Green Paper (a draft policy report of a government department).

2.4.1 Asylum seekers and refugees

According to Minnaar (2000), South Africa only began to formally abide by international refugee law after signing the Basic Agreement with the United Nations High Commissioner for Refugees (UNHCR) in 1993. Following that agreement, specific legislation to deal with the granting of refugee status to asylum seekers was only passed in November 1998. The new Refugee Act, Minnaar (2000) believes, was the result of a long period of policy debate and pressure applied by a number of relief organisations. Furthermore, Minnaar (2000) explains that the regularisation of the legal position of refugees in South Africa was largely prompted by the violent scope and extent of xenophobia against foreigners wherein genuine refugees were indiscriminately lumped together with allegedly undocumented migrants, and even those legitimately working on refugee work permits were often attacked and had their hawker stalls destroyed during a number of the anti-foreigner campaigns by locals. In accordance with the Refugee Act, asylum seekers are allowed, once granted refugee status, to become economically active, something natives greatly resent.

Minnaar (2000) further states that for the first time in South African legislation, the Refugee Act sets clear guidelines, in keeping with UNHCR guidelines, for determining the status of asylum seekers and under what conditions they may not be refused entry into the country or be expelled. It also spells out when an applicant will not qualify, and when his or her status can be revoked. The Act also sets a clear procedure for asylum seekers to follow. Maharaj (2009) concludes that the problems facing immigrants and refugees in Durban (a city in South Africa) can be divided into three categories:

- Legal (asylum determination, security of person, documentation)
- Socio-economic/social assistance (health, education, employment and shelter)

Landau (2010) emphasises the importance of official identity papers for immigrants, and states that although these documents cannot prevent discrimination or ensure social inclusion, they are nonetheless important for finding work, accessing social services, and preventing arbitrary arrest, detention and deportation. According to Landau (2010), two key factors prevent non-nationals from obtaining the documents needed to regularise their stay in South Africa, namely:

- The fact that job seekers cannot apply for employment rights, once in the country. For instance, those coming into the country without an employment offer or study permit cannot claim short term tourist or student visas. Alternatively they can enter through irregular border crossings or apply for asylum.
- The Department of Home Affairs is still one of the most corrupt departments in South Africa despite some improvements in recent years.

Landau (2010) maintains that even those fortunate enough to be granted refugee status still face difficulties in obtaining suitable identity documents. The physical form of the asylum seekers’ document itself contributes to delays and
irregular practices. Asylum seekers, for instance, are issued with a single piece of paper ('section 22' permit) often with hand-written amendments and conditions. Few employers or government agents, including the police and many healthcare workers, recognise these documents as legitimate and moreover the documents become worn out, illegible or even lost because they are carried in the person's pocket (Landau, 2010).

2.5 South African laws and immigrant-owned businesses

In keeping with progressive international trends, Maharaj (2009) notes that the new post-apartheid South Africa is a rights-based constitutional democracy. According to Olivier (2002) as quoted in Maharaj (2009), the South African Constitution recognises first, second and third generation rights: civic and political; social and economic; and environmental rights, respectively. As the rights-based discourse gains momentum, Maharaj (2009) argues that groups that have been previously excluded from participating in the social, economic and political life in South Africa (for example migrants) are becoming more assertive and demand inclusion.

Since the advent of democracy in 1994, the South African parliament has passed numerous new bills hoping to positively influence the socio-economic landscape inherited from the previous government. However, Crush and Williams (2001) argue that apartheid-era migration legislation and policy have been slow to come under this new political dispensation. According to Crush and Williams (2001:2), the South African government is yet to come up with an effective policy to address its migration concerns, and in the interim it continues to grapple with how best to deal with what is commonly believed to be a massive increase in clandestine migration and irregular employment.

2.5.1 Business permits

The process of obtaining a business permit prior to entry into South Africa is a cumbersome and complex one that is almost unattainable for African immigrants. As of July 2005, anyone applying for a business permit needs to provide certification endorsed by a chartered accountant that the following minimum investment (originating from abroad-overseas) conditions have been met:

- Cash to the value of R 2.5 million
- A capital contribution to the value of R2.5 million; or
- Cash to the value of R 2 million as well as capital contribution to the value of R0.5 million.

The above-mentioned conditions can however be reduced or waived if so requested by the Department of Trade and Industry (DTI), or when the business is within an industry which has been declared to be in the national interest. In addition to the investment criteria mentioned above, an applicant needs to provide a comprehensive plan that clearly notes the short and long term viability of the business. Furthermore, an applicant is to undertake to permanently employ at least five South Africans or permanent residents.

2.6 Entrepreneurial opportunities, challenges and emerging strategies

Entrepreneurs are constantly looking for business opportunities and in the course of which they encounter and overcome numerous challenges.

2.6.1 Entrepreneurial Opportunities

Kirzner (1973) as cited in Clydesdale (2008) suggested that the existence of opportunity can be linked to either one of the two errors that people make. The first error resulting to failure occurs when people make errors of over-optimism as in the case in the market where one expects to achieve something that cannot be achieved. The second error, namely that of over-pessimism unlike the first provides opportunities. The latter occurs when people believe something cannot be done when in reality it can. In which case, people do not recognise that opportunities exist and are just waiting to be seized. Under this scenario one would imagine what an immigrant who arrives in a new market equipped with different bundles of social and human resources that helps him or her recognise opportunities that others overlooked would do (Clydesdale, 2008).

A reoccurring thread in the literature on ethnic entrepreneurial opportunities emphasizes the fact that immigrants capitalise on niches within ethnic enclaves and only incorporate other markets when the business is well established and have fully adapted to the conditions of the host country. In so doing, they mostly provide products and services for the
ethnic consumers and often not most of their goods originate from their countries of origin. However, it is increasing argued in recent studies that immigrant entrepreneurs do not focus on the ethnic market at start-up but rather “fish” beyond their ethnic community. In a related study, Oliveira (2003) noted that Chinese immigrants in Portugal searched for the host society opportunities, combining local, regional, European and transnational connections, drawing on the inner-group’s resources. From a resource mobilisation point of view, Elfring and Hulsink (2003) noted the network is an important source of new ideas and lucrative opportunities in that it is a source of information, helping the entrepreneur to locate and evaluate opportunities.

Clydesdale (2008) argues that although immigrant entrepreneurial attributes developed through individual life experiences elsewhere (in another environment) are critical for the start-up and operation of businesses, they (attributes) may sometimes not match with the conditions in the host environment.

2.6.2 Entrepreneurial Challenges

In a study of immigrant groups in Britain, France, the United States, Germany and the Netherlands, Roger Waldinger identified seven common challenges that immigrant groups face regarding ethnic entrepreneurship (Waldinger et al, 1990 in Pinkowski, 2009).

These are:
- How they acquire information that they need to establish a business and survive;
- How to acquire capital necessary to fund the business;
- Where to get the training and acquire the skills necessary to run a small business enterprise;
- How to recruit and manage an honest, competent and affordable workforce;
- How to manage customer and supplier relationships especially with different language or business practice models;
- How to survive serious competition in the new environment; and
- How to protect themselves and co-ethnics from political attacks.

Once a challenge such as one of the foregoing has been identified, the immigrant entrepreneur’s survival instincts sets in and he or she ‘pulls every stunt’ to overcome the obstacle.

2.6.3 The Emerging Strategies

When faced with challenges, the “survival instinct” inherent in almost all immigrants sets to work. The word “strategy “ is derived from the Greek word “strategos” which means generalship and when used in a military sense refers to the art or plan that the general used to overpower the enemy, while taking into consideration his power and the situation at hand (Nutt & Backoff, 1992).

In a business sense one may logically suggest that a strategy would be a deliberate attempt by an entrepreneur to extend survival as long as possible by staying ahead of its competition while ensuring that the total revenue generated equal or exceeds total cost. Strategies emerge from the interaction of opportunity structures and group characteristics, as ethnic entrepreneurs adapt to the resources available to them, building on the characteristics of their group (Aldrich & Waldinger, 1990). In an ideal situation, Kloosterman and Rath (2001) note that the focus of these strategies is on matching the supply side and the demand side. On the demand side there has to be opportunities and these opportunities should be accessible.

The composition of immigrant particularly from less developed countries is different from that of the indigenous population in that the newcomers tend to differ in the bundle of resources (human, social, financial and cultural capital) at their disposal when compared with their indigenous counterparts (Kloosterman & Rath, 2001). Agreeing with Kloosterman and Rath (2001), Guzy, (2006) stated that it is the combination of strong dynamics with strong limiting factors for enterprising migrants that makes immigrants to concentrate in sectors with low entry barriers in terms of qualifications and capital, such as trade, personal services, construction, catering and the clothing industry. According to Levent, Nijkamp and Sahin (2007), these immigrants usually set up their businesses where informal production would give them a competitive advantage and where the networks of ethnic people provide them with an informal way of doing business and exchange of information. Guzy (2006) notes that these less competitive sectors are work intensive, and being able to rely on the family and community members is an asset. The enterprise survival rate in these sectors is lower than average, and relying on informal labour can make a difference for the business survival. Also, if the barriers to official self-employment are too high, the activity may not be registered at all (Guzy, 2006).
From a strategy perspective, the orientation of ethnic enterprises is internal from the beginning in that they start with a focus on clients from their own ethnic groups, with traditional products, services and communication channels (Levent et al, 2007). This internal orientation and mutual trust within the ethnic network provides on the one hand rotating credit, a protected market and a proper labour force while on the other hand it creates a more than average loyalty between the ethnic firm and his clients (Levent et al, 2007). Using a business premise as a dwelling place is a common cost saving strategy used by immigrants at during the start-up face of their business. For instance, Kaknins & Chung, 2006) notes the case of the Gujaranti (immigrants from the gujaranti state of India) hotel owners in the US.

From a South African context, Maharaji (2009) noted that in the absence of support from the South African government, migrants and refugees in particular depend on support from religious organisation, NGOs and informal networks in times of need.

3. Methodology

The article was designed within the quantitative and qualitative research paradigms, in which a triangulation of three methods was utilised to collect and analyze the data. From a quantitative perspective, the survey questionnaire was used. To complement the quantitative approach, personal interviews and focus groups were utilised as the methods within the qualitative approach paradigm. The primary data collection instrument used was the survey questionnaire which was complimented by personal interviews and focus group debates.

3.1 The Research population

The research population for this study, comprised of all immigrants of African origin that met the following criteria:

- Respondents must be from Cameroon, Ghana, Ethiopia, Senegal and Somalia origin;
- Operate a Small, Medium or Micro Size Enterprise (SMMEs) at the time of interview;
- Business operation must be located within the Cape Town Metropolitan Area; and
- Operation must be three or more years in existence.

3.2 The Sample Design

Using the snowballing technique, a sample of 135 immigrant-owned businesses was drawn. According to the snowballing sampling technique, once a suitable respondent is identified, he or she nominates other respondents. McDonald, Mashike and Golden (1999) states that this method allows for an element of randomness and ensures that the confidence of the interviewee would be maintained by being referred by a friend. To avoid the inherent bias associated with snowballing, once a suitable respondent is found, such a respondent assist to identify at least two other ethnic businesses within that suburb, and the researcher randomly selects one for an interview. By tossing a coin, one of the two nominated candidates is selected to be included in the survey. Two approaches were utilised to arrive at the sample size of 135 immigrant-owned businesses. Firstly, a review of the following recent related studies: Basu and Altinay, 2004; Rogerson, 2004; Tesfom, 2006; Kushnirovich and Heilbrunn, 2008; indicted that on average the sample size 118 was determined. The aforementioned studies made utilised the snowballing technique, and the interviews were conducted on a face to face basis. Secondly, in an attempt to justify and to ensure that the same size would provide satisfactory results at a 95% statistical power, the G*Power software was used. Using G*Power 3.1.2 software, and striving to achieve a statistical power of 95%, a sample size of 134 was regarded as adequate (Faul, Erdfelder, Buchner, & Lang, 2009).

3.3 Data collection and analysis

The survey questionnaire was utilised as the primary data collection instrument, focus group discussions and personal interviews were conducted to supplement, as well as to test the results of the survey. Two focus group discussions were held in which attempts were made to answer the research questions with particular emphasis on the outcome of the survey questionnaire. The focus group participants were drawn from the same sample from which the survey questionnaire participants were drawn. Two groups of six and seven participants were drawn respectively. In the group session that lasted one and a half hour each, participants shared their experiences as they attempted to provide answers to the research questions. Personal interviews were conducted with key informants, banks and SMME support organisations. The preliminary interviews conducted with key informants was informal and provided information that
guided the planning and as well as the identification of the sample population. Furthermore, interviews with key informants like focus group discussions also provided a means of validating the survey results. Specifically, a total of four formal interviews were conducted. The choice of whom to interview emerged from a preliminary analysis of the quantitative survey questionnaire and served to corroborate and as well as to complement it. Two interviews were held with officials of the two most prominent banks in South Africa. Another two interviews were held with SMMEs support organisations. These organisations were purposefully chosen with one representing the government and the other representing the civil society.

4. Results

An African immigrant entrepreneur was noted to be a male within the age range of 20 and 40 who has been ‘pushed’ into starting a business by circumstances beyond his/her control. The results that follow were of particular interest to this article.

4.1 Problems faced by African immigrant entrepreneurs

Immigrant entrepreneurs face a number of challenges when starting their business and again as they try to grow or stay afloat. These challenges may relate to start up finance and so forth.

4.1.1 Business start-up obstacles

Reporting on the obstacles that African owned businesses encountered during the business start-up phase, the results of the quantitative questionnaire show that:

- 77,0% indicated limited finance as an obstacle;
- 54,8% reported lack of business space as an obstacle;
- 39,3% reported lack of appropriate residence permits as a major business start-up obstacle;
- 29,6% placed emphasis on insufficient demand as a start-up obstacle;
- 21,5% acknowledged lack of expertise in the concerned business area as an impediment;
- 10,4% reported lack of information on business-related matters as an apparent business start-up obstacle and;
- 4,4% reported lack of skilled employees as an obstacle.

Based on the above results, it can be drawn that the three most cumbersome obstacles confronting African immigrant entrepreneurs are finance, business space, and residence permits. Collaborating this finding, Lack of finance, business space and residence permits are some of the themes that were equally emphasised by the participants at the focus group meetings. An interview with officials of two of the most prominent banks in South Africa suggested that lack of finance either for start-up or growth is a problem likely encountered by African immigrants. They further emphasised that due to the difficulties involved with verifying the authenticity of most of the documents used by immigrant, most without a South African identification document (green book) cannot have access to some bank facilities, including owning a bank account. In the past, these immigrants were allowed to open accounts although access to overdrafts and loans was not an option. An interview conducted with two prominent business support agencies indicated that although these organisations offer a wide range of services that include; business advice, market research, skills training, referrals, networking, provision of information, and indirect financial support, most small businesses (immigrant-owned included) seldom make use of these services.

4.2 Business operational obstacles

Once started, a business still encounters some obstacles as it grows. From the results of the survey questionnaire, it was noted that:

- Lack of finance was seen as an impediment during this phase of the business by 42,2% of the respondents.
- As regards business space, a significant proportion (36,3%) of the respondents believed that lack of business space was an obstacle to the operation of a business, even after start-up. This finding is consistent with the existing literature on 'blocked opportunities' and in the case of African immigrants in South Africa, this may be related to the non-acceptance of refugee permits by landlords as a form of identification.
• In terms of skilled employees, the results suggest that 7.4% of the respondents believed that lack of skilled employees was still a problem even after the start-up phase of the business.
• Only 6.7% of the respondents reported lack of expertise after the business start-up phase.
• The results indicated that only 0.7% of the respondents saw the lack of a licence as an obstacle during the operational phase of the business.
• With regard to customers, 20% of the respondents believed that lack of customers was an obstacle that continued to affect their businesses long after start-up.
• In terms of the flow of information, a significant proportion (40.0%) of those surveyed believed that lack of information was still an impediment to the operation of their business long after start-up.
• In terms of residence permits, the results indicated that 9.6% of those surveyed believed that not having the right residence permits was still a problem for their businesses long after start-up.

Based on the results noted above, the three most noted growth obstacles reported are insufficient finance, lack of information, and business space. In addition to the obstacles reported, participants at the focus group meetings unanimously added crime and jealousy to this list.

4.3 Business Survival strategy

After starting a business, the entrepreneur strives to grow the business or, at best, maintain the business at a certain level unless closing down becomes a last resort. The focus of this section is to explore those strategies that African immigrant entrepreneurs utilise to ensure the survival of their businesses.

4.3.1 Cost saving strategies

With the popularity of any strategy tied to the frequency of usage, African immigrant entrepreneurs noted that they have implemented one or all of the following strategies at one point in the life cycle of their businesses:

• Shared information with others (91.1%)
• Shared shop space (81.5%)
• Used informal sources of financing (99.2%)
• Operated illegally (79.3%)
• Worked from home, a container or a temporary location (87.4%)
• Made use of cheap labour (50.4%).

From the qualitative point of view, participants at the focus group meetings unanimously confirmed the earlier findings as they indicated that the recession and the disadvantages that they faced in the South African market fortified their adaptive strategies.

4.3.2 Revenue boosting strategies

With the popularity of any strategy tied to the frequency of usage, African immigrant entrepreneurs noted that they have implemented one or most of the strategies that follow at one point in the life cycle of their businesses:

• Offering good/services consumed by the wider South African public including people from my country of origin (99.3%)
• Engaging in bulk buying and bulk breaking activities- that is buying in huge quantities and selling in smaller units (89.2%)
• Locating near the customers (100%)
• Offering a variety of goods (97.8%)
• Even trading in illegal goods (62.2%).
• Relocating the businesses as necessary (89.5%)

At the focus group meetings, participants acknowledged the above-mentioned strategies as being fundamental to the success as well as survival of immigrant-owned businesses in the Cape Town Metropolitan Area of South Africa.
5. The proposed business survival framework

It has been noted earlier that a business is not an end in itself and the fact that the ultimate purpose of a business is to provide an income for its owner. For the immigrants of African origin, a majority of whom have been pushed into starting a business, the survival of the business becomes of critical importance.

5.1 Assumptions underpinning the construction of the proposed framework

The framework proposed in this study is based on the following assumptions:

- According to Lloyd (2002), a business in general, whether micro, small, or medium, which produces goods and services that are in demand, will have the over-arching aim of generating income for its owners or operators.
- The primary goal of an entrepreneur is to improve or provide an income for him or herself and family. As suggested by the Reserve Bank of Dallas (2010), in a free market, the potential to make a profit provides a huge incentive for entrepreneurs to come up with new and better ideas. Profits are essential signals to entrepreneurs that they are on the right track.
- Profit equals total revenue minus total cost.
- All things being equal, an entrepreneur’s business will close down only if total revenue is less than the total cost within the first three years of its existence.
- Business expansion is sponsored using profits or external sources of finance.

5.1.1 Business entry mode

There are basically two ways of getting into business for African immigrants in South Africa. These are the formal entry
and the informal entry. On the one hand, the formal mode entails buying a business or starting one from scratch within the formal strata of the economy; on the other hand the same holds true for informal entry except for the fact that it happens in the informal economy. Both modes of entry are somehow linked in that they complement each other. For instance, the survivalist entrepreneur with insufficient resources would find it much easier to start-up a business in the informal sector than in the formal sector. This may be explained by the fact that less resources, especially capital, are required and there are fewer or no regulations to be met. However, as the resource base of the entrepreneur expands, which is noticeable when the business grows and becomes more stable, he or she may want to regularise the business. By regularising the business, the entrepreneur stands a better chance of further expansion as it becomes possible to deal with big businesses, the government, and even the banks.

5.1.2 Business survival strategy

For most businesses, once started, the battle for survival is an ongoing one. The need to make a profit as well as to stay in business for as long as possible is one that drives entrepreneurs into devising winning survival strategies. Basic business logic suggests that a business that does not make enough revenue to cover its costs is bound to shut. As part of a business survival tactic, entrepreneurs must ensure that sales revenue exceeds or is equal to cost, and African immigrants seem to have found creative ways of achieving this.

In boasting sales revenue, African immigrants have been noted to fully apply the ‘Five Ps’ of marketing. For instance, they:

- People: target co-ethnic as employees
- Place: Target the right customers and locate close to their customers.
- Product: offer a variety of goods/services.
- Price: offer low pricing.
- Promotion: Promote their good/services in different ways.

In an attempt to reduce the cost of conducting business, the African immigrants in this study have been noted to adopt the following resource sharing techniques, among other things:

- Capital sharing
- Shop sharing
- Information sharing
- Transport sharing
- Employee sharing.

By employing the revenue boosting and cost saving strategies listed above, the expected life span and success of an African business may be prolonged.

5.1.3 Exit Mode

As long as the coming revenues can cover the associated cost of maining the business, the african immigrant like any other entrepreneurs “hangs on”. However, if costs exceeds for a persistent duration, it makes sense to close down the business. During such trying times the immigrant entrepreneurs do everything possible to keep the business afloat including:

- Borrowing from co-ethnics
- Taking up a paid work on the sideline to support the business
- Demanding help from other members of the family especially those in the diaspora.

When all of the above fails, the immigrant entrepreneur is left with no choice but to close down. In response to why he exited his former line of business business, this is what Mohamed said “I was tired of asking for assistance. I just had to let go… but I learnt alot”.

6. Conclusion

In this article, we argued that the business survival strategies devised by African immigrants are in response to the challenges that they face while utilizing their inherent entrepreneurial attributes. By drawing a sample of those successful in starting and operating a business, we were able to understand what survival strategies that African immigrants employ in an effort to prolong the survival of their business. We gleamed an in-depth understanding of the problems that African
immigrants face as well as the entrepreneurial characteristic(s) that they perceive as contributing the most to the successful start-up and operation of immigrant-owned businesses in South Africa? We therefore conclude by proposing a business survival framework for African immigrants (figure I). We believe that business survival is an ongoing process, and the proposed framework would provide the basis for a proper ongoing self-evaluation for African immigrant-owned businesses in South Africa.

References


Critical Incidents in Graduate Student Development of Multicultural and Social Justice Competency

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Abstract

In many countries, counselling psychology has increasingly attended to the diverse needs of clients within multicultural societies. In North America, emphasis has been placed on nondominant populations, whose experiences of discrimination, cultural oppression, and social, economic, and political marginalization, have a significant impact on psychosocial wellbeing. Counsellors are expected to engage in social justice action, with or on behalf of clients, to effect change in organizations, communities, or broader social systems. The purpose of this study was to examine how well counsellor education programs in Canada are preparing counsellors for both multicultural counselling and social justice. Most research has focused on curriculum content; less attention has been paid to how that content is taught and the efficacy of those learning processes in facilitating competency. The critical incident technique was used to solicit examples of effective and less effective learning processes from graduate students. The qualitative data was analyzed to isolate, cluster, and relate emergent concepts; a critical lens also highlighted missing constructs. The most common learning contexts were the multicultural counselling course and the applied practicum. Four themes emerged that reflect current research: fostering of self-awareness, application of theory to practice, engagement of affect through experiential exercises, and exposure to diversity. Infusion of multicultural and social justice competency throughout curricula is also widely advocated, but was reflected in only four percent of the critical incidents. Engagement in social justice roles and activities was also missing. Enhancements to both curriculum content and process are required to support the social justice agenda.

1. Introduction

Over the last decade, researchers in the area of multicultural counselling, feminist theory, and other disciplines have increasingly focused their attention outward to interpersonal and community influences, contexts of people’s lives, and broader systemic influences on individuals and communities (Greenleaf & Williams, 2009; Hage& Kenny, 2009). The traditional focus on intrapsychic factors in health and wellness is limiting and potentially damaging to clients, because it fails to take into account the social determinants of health, in particular, the impact of social injustices (Fowers and Davidov, 2007; Sinacore et al., 2011). These injustices include: unfair and inequitable distribution of resources and opportunities; discrimination, oppression, and marginalization in society; and barriers to basic human rights and attainment of full potential in society (Arthur, Collins, McMahon, & Marshall, 2009; Green, McCollum & Hays, 2008).

These social injustices are also strongly tied to cultural group affiliation, based on ethnicity, gender, sexual orientation, ability, age, socioeconomic status, and religion. Those with nondominant identities more often face active or passive discrimination in Western society (Arthur & Collins, 2011; Leong, 2010), and the potential for socio-cultural oppression and marginalization increases with multiple non-dominant identities (Collins, 2010a, 2010b). Broadening our definition of culture to include each of these cultural identity factors, and recognizing the close ties between social injustice and psycho-social well-being, has necessitated a shift in how counsellors view client problems and how those...
Many counselor education programs have embraced increased consciousness of cultural influences on both clients’ lives and the counseling process (Constantine, Hage, Kindaichi, & Bryant, 2007; Zalaquett, Foley, Tillotson, Dinsmore, & Hof, 2008). However, most programs have not focused attention, to the same degree, on social justice as a critical lens in case conceptualization, intervention planning with individual clients, or expanding the scope of practice to include direct social justice action to ameliorate the conditions that bring clients into counseling in the first place (Alberta & Wood, 2009; Constantine et al., 2007). There is also evidence that both students and practicing counselors perceive a gap in their competency levels, particularly in the area of social justice action (Cates & Schaeffle, 2009; Pieterse, 2009; Pieterse, Evans, Risner-Butler, Collins, & Mason, 2009). As social justice consciousness increases, there must be a corresponding shift in our education programs to prepare future counselors for the complex challenge of fully meeting clients where they are at—within the community, institutional, societal, economic, and political systems that directly and indirectly influence their lives (Miville et al., 2009).

2. Positioning the Study

Research is lacking on the effectiveness of multicultural and social justice curriculum and, in particular, the relationship of that learning to applied practice contexts (Smith, Constantine, Dunn, Dinehart, & Montoya, 2006; Vera & Speight, 2003). The analysis in this article forms part of a larger research study that aimed to better understand how students, counselors, and practicum site supervisors view multicultural counseling and social justice and how their professional education has prepared them to apply multicultural and social justice principles in practice. The data on counselors and practicum supervisors are reported elsewhere (Collins, Arthur, & Brown, 2013; Collins, Arthur, Brown, & Kennedy, 2013a). In addition, we have chosen to focus this article only on students’ descriptions of critical incidents (CIs) in their learning process to ensure that we have a sound understanding of what has been most influential for them to answer the question: How is counselor education currently preparing students for multicultural counseling and social justice action?

There is considerable research and recommendations from accrediting bodies in both Canada and the United States on what should be included in counselor education, albeit with gaps particularly in the area of social justice (Butler-Byrd Nieto, & Nieto Senour, 2006; Toporek & McNally, 2006). However, less attention has been focused on the process of counselor education (Pieterse et al., 2009; Smith et al., 2006). This article highlights student voices in examining what learning methodologies, resources, tools, or processes are most memorable or prominent.

3. Methodology

Graduate students in two Canadian counselor education programs were invited to participate in this study. The programs were selected because of their affiliations with the researchers and differences in learning format: traditional face-to-face program versus distributed learning program with substantive online learning components. Participants had completed the majority of their course work and were either nearing completion or had recently completed their practicum placement. Fifty-nine students participated in the overall study. Eighty-six percent of participants were spread equally over three age brackets, 29 years or less; 30 to 39 years; and 40 to 49 years, with the remaining 14% between 50 and 59 years. Eighty-five percent of the participants were women, which is reflective of the gender distributions in the programs sampled. Eighty-one percent were Caucasian; one student was of Aboriginal descent; and nine others were from other ethnic backgrounds (South Asian, Chinese, African/Caribbean, Latin American, and Arabic).

Students were invited to complete an online survey, which involved identifying and reflecting on two CIs that described a significant education experience. Thirty-eight of 59 students provided the CIs reported in this article. A portion of these students agreed to further clarification of their ideas by email. In addition, a subset of eight students agreed to a semi-structured follow-up interview. The data from both the online survey and the follow-up interviews have been combined for this article. The critical incident technique (CIT) involves soliciting vignettes or short descriptive accounts from research participants about experiences that they deem as particularly important or illustrative of a particular phenomenon. The CITs are common in contemporary research (Butterfield, Borgen, Amundson, & Maglio, 2005) and has been used, for example, to examine development of social justice perspectives of doctoral students (Caldwell & Vera, 2010), outcomes of a multicultural counseling course (Sammons & Speight, 2008), and the social justice competencies of career counselors (Arthur, Collins, Marshall, & McMahon, 2013). Inviting students to generate CIs encouraged them to reflect on what aspects of their learning truly had the most impact on them. It opened the door to examining the learning
process from the ground up, rather than predetermining the core elements of counsellor education content and process and measuring student competency attainment against those elements.

To maintain the focus on multicultural counselling and social justice, students were instructed to “think of your current work with clients, who reflect the diversity of Canadian society through ethnicity, nationality, gender, sexual orientation, socioeconomic status, age, religion, and/or ability” and to “reflect on their needs for effective multicultural counselling and for a range of social justice interventions.” They were then asked to identify a positive and a negative learning experience that affected their competence for working with these clients, including learning activities, assignments, tools, processes, as well as less structured or formalized experiences or encounters. When we set up the survey questions and started our analysis of the data, we framed the CIs in terms of helping (positive) or hindering (negative) experiences. What quickly became apparent was that respondents framed negative experiences primarily in terms of what they gained, how those experienced enhanced their awareness, or how they transformed them into important milestones in their competency development. One student commented: “I guess now... when you asked me any like negatives that struck me as a negative. And maybe actually it was kind of a good learning experience in that like how do you challenge people on their beliefs in a way that’s not---you know put them down when they’re already putting someone else down? You know like it kind of was an interesting exercise in like being able to confront people in a non-threatening way to just kind of challenge them on their biases. Yeah, I guess it was negative, but also with like a silver lining too.” For this reason, we examined the experiences that students saw as negative, holding in mind, that the outcomes of those experiences may have been positive in terms of student learning.

The data analysis involved three phases. First, CIs from the online survey were analyzed using NVivo software and categorized according to the primary nature or context of the incident. The purpose was to give us a global picture of what learning processes were most influential, as illustrated in Figure 1. Not surprisingly, the most significant learning experiences stemmed from either students’ courses on multicultural counselling or from their practicum experiences.

Figure 1. Relative weight of CI categories identified by students reflecting on their learning. Practicum supervisor approaches/perspectives has been included under the more general category of practicum experience.

The second phase of analysis involved a more in-depth examination of each of the CIs to identify what specific elements of their course or practicum experience were most impactful. The third phase involved analysis of the follow-up interviews for additional information about the CIs and, in some cases, additional CIs that emerged through that dialogue. A thematic analysis was conducted that resulted in the concept map presented in Figure 2.

Figure 2. Thematic analysis of students’ CIs in the attainment of multicultural and social justice competency. The entries in italics were described as negative CIs, although they may have resulted in positive learning outcomes.
4. Results and Discussion

Rather than reviewing each of the four core categories of CIs in Figure 2 separately, we will highlight some of the common themes that emerged that provide insight for counsellor educators into what was most critical for students in their learning processes. In doing so, we apply our own knowledge of the programs these students come from to interpret the commonalities across learning activities or contexts.

4.1 Facilitation and Expectation of Self-Reflection

A major theme that emerged from our analysis of the CIs was the importance of self-reflection, which is considered central to professional competency (Burnes & Singh, 2010; Collins, Arthur, & Wong-Wylie, 2010; Durham & Glossof, 2010): “I believe that the course content, assignments, and discussions prompted me to become more in tune with my beliefs, values, and opinions with regards to cultural differences.” Students were prompted to move beyond the content of the curriculum to an integration, application, and evaluation of their learning in terms of their own worldview, values, beliefs, and personal cultural identities. Most graduate counseling programs emphasize fostering cultural self-awareness (Gates & Schaeife, 2009; Pieterse, 2009). Students also noted the emphasis placed on expanding the definition of culture to include ethnicity, age, gender, sexual orientation, religion, socioeconomic status, and ability (Pope & Arthur, 2009; Sinacore et al., 2011): “The multi-cultural counseling course had a diagram (like a flower) that really helped me reflect on and realize my own culture, and that it is so much more than any minority/majority piece of us; it’s all of us.”

In the course, a great deal of emphasis was placed on the complexity, multiplicity, and fluidity of each individual’s cultural identities (Collins, 2010a). Some form of cultural autobiography was noted as one of the most common assignments in graduate courses across a survey of APA accredited programs in the United States (Pieterse et al., 2009). Students remarked on being invited and encouraged “to specifically look at our own cultural make-up and to think about how we were privileged” and “to reflect on our own culture and biases, as well as compare our experience in society with those from different cultural groups,” which required “putting on a new set of lenses.”

Learning activities that specifically targeted reflection on the intersection of both privilege and oppression in students’ own experiences have been noted in other studies (Singh et al., 2010):

For students in this study, the process of self-reflection was prompted by course content and assignments, as well as other activities that were part of the learning process. Students in the online course placed particular emphasis on weekly discussion forums: the “discussion forums with instructor and classmates encouraged self-reflection” and “…the discussion forums is when I was able to like, that’s the method that helped me to do the self—like build on my own self-awareness and like really integrate what would that look like for me… it was quite often those discussion forums where you really are prompted to kind of—its how you’re talking with other people.Like it’s just kind of an ongoing dialogue, much like counseling is.”

These discussion forums also created a safe space for students to examine and, hopefully, move through, their biases, assumptions, and personal struggles with the multicultural and social justice content (Palmer & Parish, 2008; Parra-Cardone, Holtrop, & Cordova, 2005): “…my classmates would have like a strong reaction to a certain topic… I also remember thinking—and I can’t even remember what specifically we were talking about, but I remember thinking boy, this is a really good thing that we’re learning this and being able to discuss it amongst each other.Rather than someone being faced with a client with these differences, cultural differences and then having this strong reaction in front of them.”

Students also noted the role that their instructors played in facilitating this deeper level of learning about self and other: “The instructors that we had were really good at probing in the right ways at the right times to further our understanding and the meaning behind what we were saying…So the whole system is set up for us to dig deeper, dig deeper. Both externally and internally.”

There was encouragement; there was probing; there was questions. It was like—It was modeling excellent counseling, even in the processes. The importance of leadership, modelling, and walking the talk by instructors is commonly referenced in other studies (Caldwell & Vera, 2010; Durham & Glossof, 2010; Kaslow et al., 2004; Singh et al., 2010). In some cases, a single interaction prompted a dramatic change in awareness: “...pointed out that we (the students) were privileged to even be there. This statement had a significant impact on me personally and as a counselor. I frequently reflect on this because, up to that point in time, I had thought that I had worked very hard and was simply enjoying the fruits of my labour. I had not previously considered being born in Canada having an impact on whether I had an opportunity to further my education.”

The focus in this study was on identifying the types of learning processes that were most memorable or instrumental for students. However, it is sometimes difficult to separate process and outcomes. Self-reflection forms a foundation for the process of professional reflexivity that promotes life-long learning and continued competency.
development (Kaslow et al., 2004; Parra-Cardone et al., 2005; Sammons & Speight, 2008). Gaining self-awareness is also a well-established foundational domain of multicultural counselling competency (Collins & Arthur, 2010a, 2010b).

4.2 Application of Theory and Knowledge to Practice

Both the online and the face-to-face multicultural counselling courses required students to conduct a cultural interview with a member of a non-dominant population and to apply the theoretical and conceptual learning from the course to the interviewee’s experiences. Many students commented on the profound impact this assignment had on them personally and professionally: “I researched refugee experiences and interviewed a client who had come from Ethiopia to Canada as a political refugee. His experience almost exactly paralleled the research. His story was identical to the research… made it very real.” “Of most benefit was the multicultural paper I wrote about an Aboriginal elder.” “The interview was really impactful in terms of solidifying cultural implications in people’s lives… it really solidified the importance of cultural counselling.” What appears most significant about this assignment was the opportunity to engage with and learn from the real life experience of another person (Dickson & Jepsen, 2007; Lewis, 2010; Murray, Pope & Rowell, 2010).

In both the CIs related to the practicum and specific learning activities, the theme of application of theory or knowledge to practice was reinforced. Many students described specific incidents in which contact with diverse clients had an impact on their competency development (Malott, 2010; Sammons & Speight, 2008): “I had the opportunity of interacting with clients from very diverse cultural and social backgrounds.” “Hearing these women’s very different perspectives, life experiences/stories on their culture…” “…it was the practicum component, the real life component there…. Its where everything came together you know.” Students were very clear that there was a reciprocal relationship between the theoretical and the applied practice components of their learning (Lewis, 2010): “…that came from that practical learning experience. I could have read about ___ in a textbook for a hundred years, but spending an hour and a half specifically focused on culture opened up a whole new understanding, which I wouldn’t have paid attention to if it wasn’t for that course.” Course-work provided the foundation for these experiences, but it was viewed as insufficient without real life encounters with diverse members of society (Dickson & Jepsen, 2007).

The specific learning activities that students selected as CIs were also reflective of the importance of applying knowledge to practice: “Because you’re applying, like that seemed to be the theme that keeps going through my head is like the applying of the information in different ways… and that’s the learning experience.” Students commented on an assignment in the interventions course: “Well, I do think like applying interventions in a socially justice minded way, like just advocating for clients. I guess trying to be—like it’s a paper, right, so it’s not real. But like being mindful and flexible for client needs and individual needs I guess, yeah. Yeah, I guess it was just really the application of like how would I use this learning with a client. I thought that was really good.” They also highlighted elements of the ethics courses, assessment courses, and counselling skills courses that allowed them to engage in application of their learning to simulated practice contexts (Murray et al., 2010): “The expectation was to take it out to the real world. So it never stayed on the computer screen. It was how are you going to apply this? And it asked for a commitment and that was easy for me to make because I was already that way inclined. But I liked the way that it was done. I found that it was a method that really worked for me. It reminded me that okay, don’t leave this as an academic thing; do this, right? You want this here and you have the skills now to do it and they gave you the skills to be able to do it.” Other writers have identified a range of activities that enable students to apply their learning in practice: for example, micro outreach activities (West-Olatunji, 2010), service learning processes (Miller & Sendrowitz, 2011; Murray et al., 2010), or engagement in cultural events (Nilsson & Schmidt, 2005). One of the most common activities was immersion experiences, which were often seen as profoundly transformational experiences for students (Hage, 2005; Hage & Kenny, 2009; Pieterse et al., 2009).

4.3 Experiential and Process-Focused Learning

Diverse learning processes should be used to optimize mastery of complex competencies (Malott, 2010; Pieterse, 2009; Sammons & Speight, 2008). Students identified elements of the learning process that prompted them to wrestle with their own self-awareness and perspectives, for example, particular experiential exercises: “One experiential exercise was to pretend you were a part of a cultural group for 24 hours… I choose to imagine being a lesbian woman for 24 hours… actually ‘experiencing’ this increased my awareness more than ‘just’ reading about it in my texts (not that my textbook wasn’t great!).” “In a different activity ‘… we couldn’t talk… there was different tables set up and at each table you would go in and we had to play a game without knowing the rules, but there were rules… but you didn’t know them beforehand, so you had to figure out that without talking and communicate with the other people at the table and try to play. And to me that was very powerful because I realized yeah, like how difficult and how easy it is to become centering yourself and
think that—like assume that you know the rules or assume that you know what the other people are trying to do. And then maybe you know, be completely blind to what other people are trying to do. Yeah, that was a really good exercise. "In both of these examples, students were required to move beyond the cognitive analysis of particular topics to engage on an affective and personal level, which transformed their consciousness of self and other (Arthur & Achenbach, 2002; Spanierman, Poteat, Wang, & Oh, 2008). Experiential or process focused activities are noted in studies related to mastery of multicultural and social justice competencies (Ponterotto, 2011; Vazquez & Garcia-Vazquez, 2003), with particular emphasis on those that foster an integration of self-reflection and awareness (Alvarez & Miville, 2003; Arthur & Achenbach, 2002). A number of other experiential learning processes are highlighted: roleplay, group work, use of vignettes, and guided discussions (Kaslow et al., 2004; McDowell, Fang, Brownlee, Gomez-Young, & Khanna, 2002; Murray et al., 2010; Ponterotto, 2011; Vazquez & Garcia-Vazquez, 2003).

The discussion of privilege was one of the few areas where students pointed to negative experiences or negative reactions to particular learning experiences, as they grappled with their own positioning relative to the dominant and nondominant cultures. In both the online and face-to-face versions of the multicultural course, students were engaged in a number of experiential activities targeting privilege and oppression. One student reflected on the lesson on White privilege: "It seemed like a lesson in hypocrisy, that no matter how culturally sensitive I am, how multiculturally competent I become, my knowledge and experiences, values and beliefs - I will always be a white oppressor." Another reacted to the framing of cultural oppression related to First Nations: "The way it was presented as I am to blame and should feel bad for the cultural group I was born into. Very disempowering." It is from these experiences that the perception of judgment and shame noted in Figure 2 emerged. A number of studies recognize the challenge of working with negative emotion that arises from discussions of privilege, including guilt fear anger and resistance (Spanierman et al., 2008; Todd & Abrams, 2011). The American Psychological Association (APA, 2002), Guidelines on multicultural education, training, research, practice, and organizational change for psychologists, places responsibility on counselling programs for creating a safe environment in which these types of emotions can be managed. For these particular students, there may have been a mismatch between their own development of social justice consciousness and the learning activities (Burnes & Manese, 2008; Miville et al., 2009). Todd and Abrams (2011) argued that, in the context of mastery of multicultural and social justice competencies, it is important to remember that authentic engagement is the goal, because this is what will lead to personal change. Experiential learning needs to be adequately facilitated and debriefed to help students manage their emotional reactions, sense of dissonance, and apply their learning to practice (Arthur & Achenbach, 2002).

### 4.4 Direct and Indirect Encounters with Diversity

The fourth theme that runs through the analysis of the CIs is the encounter, either directly or indirectly, with cultural diversity. Students noted their personal and professional transformation through directed readings and other course content and through their contact with culturally different individuals or groups. The culture-infused counselling model formed a conceptual foundation for both online and face-to-face classes (Arthur & Collins, 2010). The text was often referenced for its conceptual framework for multicultural counselling and social justice competency as well as chapters on various nondominant groups. Students noted the particular emphasis on the fluidity and intersectionality of various nondominant cultural identities: "...the chapters... provided you with a sense of what could be going on for particular... non-dominant groups... And I think it's written in a way that it's clear that it's not—there are guidelines and not necessarily saying oh, this is the way these people are, which I think is wrong. Would be again, doing a huge assumption, right? So in that sense it was a really helpful book." The most significant elements of the text for students were the authors' personal experiences, as well as the case studies and vignettes of clients, sprinkled throughout the book, which fostered diversity and multiplicity of perspectives (Fouad & Arredondo, 2007; McDowell et al., 2002; Pieterse et al., 2009) and provided an indirect encounter with cultural diversity: "...reading about the specific case studies and the perceptions of the individuals that allowed me to see that they have experience their world so very differently than I have" and "I remember reading the vignettes in the book, and thinking: wow, I never thought about this."

These indirect cultural encounters laid a foundation for the direct encounters with clients and others, particularly during the practicum. There is general consensus in the literature that one of the central needs of graduate students is applied practice experience with the multicultural and social justice competencies (Burnes & Singh, 2010; West-Olatunji, 2010). For many students, it was the direct interaction with individuals, families, or groups from diverse cultural backgrounds that provided the most transformative learning experiences (Malott, 2010; Sammons & Speight, 2008): "I had the opportunity of interacting with clients from very diverse cultural and social backgrounds. I asked these clients to be my guides," "One example of an important learning experience was working with a client from a different culture for whom religion was also an important factor to consider in regards to an important life decision;" or "...I had the
opportunity to co-counsel a lesbian couple, for a few sessions, with my supervisor. "It was through these encounters that their class-based learning crystalized and became most meaningful (Dickson & Jepsen, 2007); "So I think it was the practicum component, the real life component there…. Its where everything came together you know; “the practicum experience I had, where the client was struggling with their cultural identity was pretty significant because it made those cultural identity phases real.”

Most students were fortunate to have exposure to culturally diverse clientele during their practica. For others, however, it was the lack of cultural diversity that became a CI in their professional development: "I probably could have benefitted from direct exposure and immersion in to a group with different background." It may be important for counsellor education programs to foster practicum placements with a multicultural and social justice focus (Burnes & Singh, 2010). If counsellor educators agree that competency in multicultural counselling and social justice are core to professional practice, it may become increasingly important to actively shape the nature of our graduate practicum experiences to ensure that students gain exposure and supervision in working with a wide range of cultural groups (Kaslow et al., 2004; Miller & Sendrowitz, 2011). It is certainly not possible to have direct applied practice experience with all aspects of culture; however, students noted that sharing their experiences in the practicum seminars provided another indirect encounter with diversity: "...it was just a really neat way to again hear from other people and what are their experiences with various populations" and "... lots of discussion time with each other as classmates about different populations that we were working with… then like also, not challenging each other, but you know, like being able to kind of draw out well, what would it have been like if we had gone this way or asked them about that?" These practicum seminars provided a space for students to bring together practice and reflection (Buckley & Foldy, 2010).

Student encounters with diversity were not always positive; however, even negative encounters provided critical learning experiences for students. In some cases, students observed clients’ experiences of cultural oppression in the context of their lives: "Not only can oppression be present in visible minorities, disabled etc. I have seen various clients who have been oppressed based on social class, educational background, and geographic location." Caldwell and Vera (2010) argued that such exposure to social injustices is important to students’ learning processes. Ironically, the examples of cultural oppression of clients were often within the context of the counselling organization: "A client was given an assessment tool and without recognition of his cultural background the results would have been incorrect, when considering cultural background, particularly the education system, further assessment was deemed necessary and hence a different diagnosis resulted. "I had a client who was in an arranged marriage. In deciding on an intervention, a lot of focus was laid on the issue of the arranged marriage… I believe that the team had viewed this client’s concerns from their own cultural perspective other than the client’s. The team saw the arranged marriage as the genesis of her concerns but she didn’t so I felt that we as the team had not met the client where she was, culturally." One student concluded: "I think the greatest learning experience came from realizing the limitations of the actual organization one works in as a counsellor and trying to understand the protocol to meet client needs. "For a few students differences in perspective or approach between them and the practicum supervisor, for example, posed a barrier to applying their multicultural and social justice consciousness: "… when we met to discuss my ‘multicultural lens’ I felt that my supervisor had a very narrow view of a culturally sensitive, multiculturally informed practitioner. While she noted she had seen my practice improve because I was now aware of my personal bias with regards to gender… she did not seem to understand that this was just a small aspect of a MCC." It may be important for counsellor education programs to take a stronger lead in orienting practicum supervisors and placements to the conceptual foundations of multicultural counselling and social justice practice (Burnes & Manese, 2008; Grus, 2009; Pack-Brown, Thomas, & Seymour, 2008; Talleyrand, Chung & Bemak, 2006).

5. Reflections and Future Directions

The purpose of this paper has been to examine the CIs that students identified as significant to their learning about multicultural counselling and social justice. We wanted to know what learning experiences students, towards the end of their programs, reflected back on as turning points or aha moments that contributed to their competency development or, in some cases, posed barriers to their learning. Not surprisingly, most students highlighted learning processes within their multicultural counselling course (Sammons & Speight, 2008; Talleyrand et al., 2006), in which the foundation of multicultural and social justice competencies was laid, and in their practicum experience, where they came face-to-face with diversity and had the opportunity to translate their learning into practice (Dickson & Jepsen, 2007; Lewis, 2010; Murray et al., 2010). The four core themes that emerged across the CI’s in this study reinforced elements of effective counsellor education for multicultural counselling and social justice: application of theory to practice, fostering of self-awareness, engagement of affect through experiential exercises, and exposure to diversity.
However, it is important not to assume from these observations that we have arrived. Only four percent of the CIs fit under the theme of infusion of multicultural counselling and social justice perspective throughout the graduate program. Some students in this study noted: “...all of my graduate courses integrated multicultural awareness and cultural sensitivity;” “...multiculturalism was certainly woven throughout all of the courses that I took;” “…it was integrated into it...It was emphasized,” and “each class we touched upon diversity.” Most students, however, linked their learning mainly to the multicultural counselling course and practicum, with some mention of ethics, interventions, and counselling skills courses. The positioning of the multicultural course early in the program provided an opportunity for students to carry forward and apply their learning in other courses (Lewis, 2010; Sammons & Speight, 2008; Talleyrand et al., 2006): “I’m pretty aware that my social justice understanding really developed in my Master’s degree, specifically in the culture infused course. We did it early on in the course and it just kind of set a tone for me to be conscious of the language that I was using and the vocabulary I’m using with clients.” Another student reflected on the importance of that course in shaping her/his overall learning experience: “It was almost like bathing in it for thirteen weeks. It infused me with the capacities, the desires, the capability to do what I was already inclined to do, but did not have the skills to do. And I feel like I have way, way more skills to work in the social justice realm than I had before.” Students then pursued that personal passion by tailoring their assignments in other courses throughout their program: “I just felt like it really set a tone for me to be aware of the multicultural piece within each other course.” Given the authors’ knowledge of the two graduate programs, we hypothesize that some of the experiences of infusion of multicultural and social justice themes throughout the graduate programs may be a reflection of the students’ own initiative: “Like literally, I think I tied it into each of my courses. Yeah, like in some way, writing in papers, like I know that I did. But those are the ones that kind of stand out as focusing on social justice and multiculturalism.” The competency-based focus of the multicultural course may have facilitated students to carry forward the lens of multicultural and social justice practice throughout their program: “…they also provided a thorough list of competencies around multiculturalism. And that was be practical in terms of understanding you know all the different areas of becoming a multicultural counsellor and what that might mean in practice.” The importance of competency-based training models has also received general consensus in the literature (Grus, 2009; Kaslow et al., 2004; Miville et al., 2009): “One of the last things that we did in the course was a professional development plan and it linked the plan to all the competencies that we felt we wanted to enhance... And I found that was extremely useful because it made me focus on specifics and... when I go back in and look at it again I’ll be happy to see that a bunch of the work that I have been doing in the last couple of years since the course has been working towards following that plan.” There is general consensus that multicultural and social justice orientation and applied practice skills should be infused throughout the entire project program (Fouad & Arredondo, 2007; Green et al., 2008; Lewis, 2010; Pack-Brown et al., 2008). This expectation is also reflected in the American Counseling Association (2005) Code of ethics and the APA (2002), Guidelines on multicultural education, training, research, practice, and organizational change for psychologists. Less clear expectations are provided in the Canadian regulatory guidelines. Most graduate programs still follow a single course design for delivery of multicultural and social justice content (Lopez-Baez & Paylo, 2009).

A noteworthy absence from the CIs was indirect or direct engagement with social justice roles and activities. There was no mention of engagement in advocacy, observation of systems change strategies with the practicum contexts, or other forms of social justice action (Alberta & Wood, 2009; Cates & Schaeffe, 2009; Hage, 2005; Pieterse, 2009; Pieterse et al., 2009; Ratts & Hutchkins, 2009). Students were transformed by consciousness-raising related to, and observations of, social injustice; however, they did not describe meaningful social justice learning experiences. Although multicultural counselling and social justice are inextricably intertwined (Collins, 2010a; Ratts, 2011), it may be interesting in future examinations of students’ critical learning incidents to focus more directly and exclusively on social justice awareness and practice. There are strong suggestions in the literature that this is an area in which it is particularly important to provide modeling (Mintz et al., 2009; Winterowd, Adams, Miville, & Mintz, 2009), applied practice skill development (Alberta & Wood, 2009; Cates & Schaeffe, 2009; Pieterse, 2009; Ratts & Hutchkins, 2009), and purposeful supervised practicum experiences (Burnes & Singh, 2010; Lewis, 2010).

The student perspectives derived from the data in the current study provide a window from which to consider what is meaningful for students, what content and learning processes to keep, and areas for growth in the development of teaching and learning pedagogy for multicultural counselling. Although the perspectives in this study are based on a volunteer sample from two graduate programs, they provide one of the few studies that captured not only what was useful in graduate curriculum, but also how students learned these competencies. Future research is needed that expands upon best practices for fostering multicultural and social justice awareness, knowledge, and skills.


Corporate Governance: The Past, the Present and the Future in Albania

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Abstract

Corporate have a great impact and importance in the economic, politic, social and cultural aspect of every country. Because of the importance of the corporations, their governance is essential. In Albania, corporate governance is a developing concept, but vital for the promotion of the economic development of the country. In this context, this subject aims to analyze the factors that have influenced in the evolution of the corporate governance, focused mostly at the weaknesses of the corporative governance mechanisms as well as in the relevant cases of governance in the present and in the future. Albania is facing the challenge of attracting the foreign capital during these last years and especially after the crises of 2008. To support and encourage the attraction of foreign investments, it is important the targeting of the cases of corporate governance. The targeting of the governance cases will affect the climate of doing business in Albania, in the conditions when some sectors of the economy are in the way of privatizations of foreign companies. For the realization of this study we did the review of a rich contemporary literature. In addition we analyzed the reports for Albania mainly from the Bank of Albania and international organizations. The results of the study are based in the research over the governance of businesses in the private sector and the public enterprises in Albania. The conclusions of the study will give a full picture over the problematic corporate governance in Albania. In the study we tried to improve the situation through our recommendations toward a positive development climate.

Keywords: corporate, governance, private, public, company

1. Introduction

Corporate Governance is a field of study with an actual importance and it represents a special interest. Recently, there has been a growth of the interest to understand the mechanisms constituting the Corporate Governance and their impact in the development of the capital market and economic growth. There is no doubt that the academic contribution has allowed us to understand the scope of the Corporate Governance explaining the corporative structures and securing abundant evidence related to their consequences. Such factors as globalization, integration of financial markets, process of privatization and an active participation of institutional investors and stakeholders; promote the need for a better governance of the corporations. Corporate Governance actually comes out as an autonomous discipline, knowing the importance of this subject in global level especially in the last years, where the need for a better Corporate Governance is evident.

Corporate Governance has become a subject of a global politic debate. The international organisms and the governments of different countries have increased their commitment in publishing rules, laws and practices of good governance that aim the returning of confidence in the markets. The need for a good Corporate Governance is essential, in an environment increasingly globalized. Despite the differences between the developed economies and the developing ones, the Corporate Governance cannot be seen as a local issue for the companies, because globalization implies the need for international coordination of the effort to secure a stable growth.

Corporate Governance has drawn attention and it is spreading widely nowadays, all over the world as well as in Albania. Albania is new in the direction of the government of the corporations; however the systems of the government as a time requirement are being built for the improvement of the governance in the joint stock companies. In general, in the developing countries, as it is the case of Albania, these companies are small in number, although it should be noted their increasing tendency the last two decades for example the banks, mobile phones companies, private hospitals, which are
mainly owned by foreign investors, and a small number of Albanian businesses that under the conditions of globalization tend to rebuild the structures of their ownership.

Albania is a place where the prosperity and the structure of the joint-stock companies are different if we compare it to other countries of the region. We can classify joint-stock companies in Albania in two large groups: the societies owned by the state or that have just got out of privatization and the private societies created by Albanian or foreign entrepreneurs. In our country is noticed a concentrated structure of ownership. The number of the joint-stock companies is smaller and prevail the societies with family ownership. However the families are generally owners of the little businesses which were not able to become large and powerful societies comparing to the other countries of the region.

Regarding to the General Assembly of shareholders, we can say that its function is related mainly to the rights of vote based in the number of the share that every shareholder owns, the selection of the members of the board of the directors, outside auditors, etc. Referring to the disclosure of the information and the transparency in the Albanian companies in most of cases the annual reports contain only the financial mirrors with the relevant records of the authorized accounting experts or audit companies. In the annual reports are not published data about the rewards of the directors or the packet of reward and there is no particular section for the Corporate Governance.

In Albania the Stock Exchange does not exist yet. While the stock exchange of Warsaw was opened since 1817, the stock exchange of Prague since 1871, the stock exchange of Ljubljana since 1024, the stock exchange of Tirana has not started working yet, despite its opening is approved since 1996 (E. Meka, 2007). This makes the companies not being quoted, the balances are not clear and the foreign entrepreneurs find it difficult to expand their collaboration.

Regarding the board structure, in the Albanian system the board is separated in two levels: the board combines supervising and managing functions. The joint-stock companies in Albania have the opportunity to choose the system with one level or two levels of the board. The Law about Banking provides the banks to be organized according to the system with two levels, where the general meeting of the shareholders appoints the governing council and the members of the directorate. The bank is directed by the directing Council and the directorate. The directing council plays an important role in decision making and surveillance. The bank authorities are: 1) the Assembly of Shareholders; 2) the Directing Council; 3) the Directorate; 4) the Control Committee.

Regarding to the direction and administration in general of the joint-stock companies, there are some problems in Albania, which limit their expansion and growth. One of these is the absence of the culture and the experience in co-ownership. Today there are a limited number of the businesses in which ownership and management are considered as two separated things and relatively independent of each other. In Albania the Corporate Governance has a different access then the one in the countries in development and the Corporate Governance can be defined as a group of mechanisms that translate or transform the signals of the market of products and market of inputs in behavior of the company.

The main problem of the Corporate Governance in the companies that are controlled by an owner or a family comes as a result of the lack of interest of outside investors for this company. The lack of connections with the capital market leads to operational problems because the owner, who often is the manager, isn't able to recognize and distinguish the signals coming from the market, thus failing in the exploitation of the opportunities. This reduces the value of the company, reducing the demand from the outside company investors to buy a part of the property, because the investors hesitate in buying assets that are little known or for which they will have little control.

Another problem in the governance of the Albanian businesses is the conflict between the owners who have the controlling package and the small owners (primary-primary conflict). The small owners have difficulties in finding third parties interested to buy their share. This thing reduces the value of the opportunities to exit from the ownership in the company. The Albanian laws, as well as the regulatory framework inside the companies offer little defense for the investors who are a minority or who can potentially be a minority. These are two of the reasons holding up the function of the market of the capital in Albania. Under these circumstances, the concentrated structures are inflexible and this is the main problem of the Corporate Governance in Albania.

The relationship between the banks and the companies has been always influenced more by the personal connections than by a careful choice based in the performance of the companies. This is the main reason why the banks have reduced the pace of credit. The personal connections cannot offer protection from the risks of losing, especially when these risks are close by. In Albania has always been impossible to access the correct financial information of a

1 (Llaci 2012), Qeverisja e korporatave
2 (Bankieri 2012), Bankat&Mirëadministrimi
company. So another problem is the transparency of the financial information.

“Friend’s Capitalism” seems to be a problem as a result of the fact that the dominant owners of many business groups are politically influenced. State authorities and the managers of the companies are closely linked. In practice, the informal connections between the business and the government play an important role bringing different results of the ones that can be created in a normal business course.

Even though no system has ever achieved the perfect Corporate Governance, actually it is required a convergence towards the Anglo-Saxon model with the aim to achieve a great transparence in the markets, growth of the participation of the shareholders, to make BoD’s supervising work more efficient and the development of the systems of compensation for the short-term and long-term executives (Cuervo 2002). According to Raez & Hossain (2007) the universal model of Corporate Governance does not exist. However, the financial scandals of the corporations, the changing model over the ownership structure and the internationalization of the markets have made possible that many countries and international organizations to develop principles of the Corporate Governance that can be adopted in different contests (Hussain & Mallin 2002). The capacity of the countries in development to apply a model of Corporate Governance can be connected with the cases of the politic reforms and by the globalization force itself (Barlow & Clarke 2001)3.

2. The crises in the Corporate Governance

The term “Corporate Governance took an important place in the economic schedule after the Watergate scandal in USA in 1972, while the years 1980 are considered as the years of the modern era of the Corporate Governance.

A number of factors as: the collapse of the big corporations and the hostile acquisitions especially in UK and USA, the growing power and the antisocial behavior of some corporations have influenced in raising the issue of the Corporate Governance in a global level in the 90’s. The issues that have stimulated the interests in the Corporate Governance phenomenon emphasize in particular the causes of the crises of the Corporate Governance.

The crisis in the Corporate Governance culminates in two main moments: first of all the corporative scandals are the largest in the history of the last decades and secondly the presence of the weaknesses in the mechanisms of the Corporate Governance putted the governance of corporations in the spotlight internationally.

The bankrupting of Enron shocked the trust in the corporative culture and in the market mechanisms and it marked a turning point in the discussion about the Corporate Governance. At the same time, other frauds came into light in USA and Europe. But the Enron experience and the reforms were not enough. The financial crisis in 2008 was another corporative collapse, and this time with global dimensions and shocking effects. The reason of this collapse was the real estate bubble in USA, provoked by the way of the banking Corporate Governance and Foreign Investment. The bad governance of the banks and the Foreign Investment were one of the main reasons ok the crisis in USA and in the euro zone. So the bank governance came in first place.

2.1 Financial crises of 2008

A report of the OECD states that: “The financial crises can be attributed in a large mass to the failures and the drawbacks of the Corporate Governance4.”

Between the main causes of the financial crises in the banking sector we can name:

2.1.1 The management of the risk in Direction Board level and in managerial level.

In this context the risks were not identified, valuated and managed in the right way. To the Direction board was served incomplete information that had drawbacks in the right understanding of the risk profile and was not integrated in the right systems for identification, management and reporting of the risk.

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3 (Llaci 2012), Qeverisja e korporatave
4 (OECD 2009), Corporate Governance and the Financial Crisis: Key Findings and Main Messages
2.1.2 Compensation and stimulating structures

The wish for more rewards stimulated the overtaking of the risk, while the Direction board had a lack of independence in monitoring the compensation. There was often showed a lack of transparence and a bad connection with the performance. The objectives of the performance were short termed, little demanding, not linked with the long term stability and had the initiatives based only in the financial indicators.

In 1970 the division between the average wage of the CEOs of the S&P 500 and the employees was 26:1 and 263:1 in 2009. To compare, in Europe the same division is nearly 25:1. Since 1978 to 2011 the wage of the CEOs in the American companies has raised 725% (127 times faster) while the wage of the employees only 5.7%, according to the data of EPI. In Europe, the inequality is also increasing although this levels cannot be compared with the USA (while in USA the differences are over 400 times, in Germany the division is 12:1, in France 15:1, in UK 22:1, in Hong Kong 44:1 and in Canada 20:1). Although the difference between the CEO's wage in the index of FTSE 100 in UK and the average wage of the employees raised from 47 times in 1998 to 115 times in 2009 according to MM&K and Manifest.

2.1.3 The independence of the board, its qualification and its composition.

The negative aspect is getting the position of CEO/Board leader by the same person, the lack of financial experience and independence. Large boards, old in age, statistic and restricted commitment of the directors.

2.1.4 Inactivation of the shareholders

The shareholders play a non-active role in the improvement of the Corporate Governance, thing that was reflected also in the presence of the non-functional boards with a noted absence of control. The wish for short term profits urged to follow short term interests, doing speculative investments.

2.1.5 The external audit

The right commitment of the competences by the external auditor helped the corporations to erase the poor financial conditions, conditioned also by the opportunities in the direction of independence and objectivity in its work. The low objectivity was a result of the concentration in the personal interests and in the low rotation of the audits.

2.1.6 Rating agencies

Rating agencies were another crisis factor, because these agencies gave subjective ratings for the corporations with a problem, pushed by the corruptive affairs between them and the corporations.

2.2 The environment of the governance of the banks in Albania during the crises.

The economic environment in which the banks developed their business changed in a dramatic way as a result of the globalization influenced by neo-liberalism and favorites by the liberalization and the market disruption.

Financial globalization has influenced in the “financialization of the economy”, which created the conditions for a large development of the institutional investors. Their entrance in the ownership structure of the companies was the mechanism that has influenced in the evolution of the Corporate Governance of Foreign Investment. Their influence and the managerial adaptation in the new environment explain the evolution of governance of Foreign Investments and their contribution in the financial crisis of year 2008. In the case of the banking sector, financing has had a decisive influence in the inner side of the subjects: it has had changes in Corporate Governance and in the management of banking models.

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5 (Executive Excess 2008), The 15th Annual CEO Compensation Survey from the Institute for Policy Studies and United for a Fair Economy.
6 (Fortune Magazine, November 7th 2011), AFL/CIO CEO Pay Database, 2010
7 The Manifest/MM&K Executive Director Survey
Foreign Investments have adapted their business model in this globalized and unregulated environment that is known as “originate-to-distribute”, which is directly linked with the financial crises. This model is an effective way to achieve fast break even (Ruingley, 2008) and is developed mostly by the investment banks in countries as USA and UK. So financial globalization has transformed the banking business from the traditional model to the model originate –to-distribute and financial innovation. Until the outbreak of the crisis, it was considered as the banking model of the future that would finally replace the traditional model of banking management “buy-and-hold”, but today it has been identified as a factor that favored the crises. ACCA states that the bank failures were the government failures.

The private banking system in Albania is relatively new and it has been created almost more than a decade earlier through licensing of the foreign branches and filial, privatization of old state banks and buying new banks by the foreign. At the beginning of the 2000’, the banking system in Albania entered in a new phase of development with the entrance in the market of powerful banking groups. During the last 10 years, the banking sector has continued enlarging its activity with big leaps. Actually there are 16 trade banks operating by which 81% are with private foreign capital and 19% are with foreign and home capital.

Today the bank assets are about of 95% of the total financial assets in Albania. In implementation of their strategies, the banks are demanding additional activities and new baking and financial products and services. The effects of the crises in the Albanian economy have often been a hot subject for debate during the last three years. But the experts are joined at one point, that the country has a solid banking system which handled the crisis successfully and was characterized by a noticeable increase of the deposits, increase of problematic loans and important increase of the profits in all the banking system. This has two reasons:

1. Banks in Albania follow the business model of the traditional banking.

2. The establishment of this banking system in a conservative regulatory environment, supervised with exemplary rigor and continuity by the Albanian Bank.

The structure of the shareholder capital of the Albanian banking system and the performance of its main component are shown in tab.1. The importance of this development is an indicator of the readiness of the shareholders to support the banking activity.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>December 2011</th>
<th>December 2010</th>
<th>December 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder capital</td>
<td>97,304.7</td>
<td>100</td>
<td>93,138.4</td>
</tr>
<tr>
<td>Paid capital</td>
<td>82,803.9</td>
<td>85.10</td>
<td>70,742.0</td>
</tr>
</tbody>
</table>

Source: Bank of Albania

The restoring of confidence in the financial system, the stabilized macro-economic situation and the regulatory measures of surveillance undertaken by the Albanian bank that aimed passing from “compliance based” in favor of “risk based approach”, affected the stabilization and improvement of the indicators of: capitalization, liquidity and profiting of the banking system.

2.3 The two sides of the privatizations in Albania: CEZ case

The challenges that Albania is facing in this direction are many and one of the major cases are the privatizations especially in the energy sector and the mines that often have proved that have failed. The situation created in the energy sector of the country, the failure so far of the sensational privatizations of CEZ and ARMO, the problematic created in the first steps of the negotiation of the privatization contract of Albpetrol, are some of the cases of failure of the privatizations. The regulatory entities still can’t protect the market and the consummator from the populist politics of the government and from the tendencies for fast profits in the private companies. The most flagrant case in this direction is CEZ. In 2008, the
tendering committee chose CEZ for the privatization of OSSH. In March of 2009, CEZ and the government drafted and sign the contract with value €102 million. CEZ takes possession of 76% of the shares of OSSH. The report of ERE in 2009: the privatization of CEZ was a failure. The inefficiency was a result of weak management and the level of loses in the network. In 2011, ERE rejected the request of CEZ for raising the price of the energy and METE takes away the regular costumers (heavy industries) from CEZ. CEZ is fined €27 million by the taxes, €3 million by ERE. In 23 January 2013, ERE removes its license and CEZ becomes state-owned.

Is raised the question why CEZ failed in Albania? From the failing reasons we can mention:

- The way of privatization.
- The problems of the contract.
- The improper monitoring by the government and the ERE.
- The relations company-government.
- Mismanagement of the company.
- The energetic sector had a lack of investments and the fees did not fit making the company not to achieve covering the costs.

The failure of CEZ in Albania will be accompanied with serious consequences as for the company, as well as for the Albanian economy, but mostly for the Albanian citizens. We can mention €200 million lost for CEZ and devaluation of the shares. As a result of this misgoverning, there are estimated nearly $1 million lost for the Albanian economy. This failure had another negative impact at the business climate in the country and in the foreign investors prejudicing the chances for re privatization and the occurrence of continuous problems in the energy market and in the whole economy.

3. The initiative for improving the Corporate Governance in Albania

During the last years there have been made a lot of efforts to promote the improvement of the Corporate Governance in the Albanian companies as in the legal aspect, as well as in the non-legal aspect by various local and foreign institutions. There have been considerable improvements in the regulatory framework to approximate it with international standards\textsuperscript{10}. Tab.2.

<table>
<thead>
<tr>
<th>Legislative initiatives</th>
<th>Non-legislative initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>The framework of the Corporate Governance in Albania is regulated by the law “For the commercial firms”.</td>
<td>The Albanian manual for the corporation governance.</td>
</tr>
<tr>
<td>The law “For the titles” (for companies with public offer).</td>
<td>The Code of the Corporate Governance. The differences in the Law about “Banking”:</td>
</tr>
<tr>
<td>The law “For the legal audit” (auditors and all the companies that are audited by external audits).</td>
<td>Creation of the “Bridge Bank”.</td>
</tr>
<tr>
<td>The law “For the banks” (in accordance to the BE directives in the field of the banking law and with the principles of Bazel).</td>
<td>Fixation of the mandate of the members of Direction board (4 years).</td>
</tr>
<tr>
<td>The rules of Tirana stock market.</td>
<td>The independent members of the Direction board form the majority.</td>
</tr>
<tr>
<td></td>
<td>The law contains some of the principles of the best Corporate Governance that is expected to improve the implementation of the Corporate Governance as the approval and the control of the politics and strategies, monitoring of the efficiency of the managerial practices, the protection of the interests of the shareholders, of stakeholders, of depositors, etc.</td>
</tr>
<tr>
<td></td>
<td>The new initiatives of the Albanian bank:</td>
</tr>
<tr>
<td></td>
<td>The strategy of development of the banking surveillance.</td>
</tr>
<tr>
<td></td>
<td>New regulations (in accordance with Bazel II).</td>
</tr>
</tbody>
</table>

Table 2. The improvements in the regulatory framework to approximate it with international standards

As we stated above, there is no doubt that the privatization of the large companies and the public enterprises is the better solution, and generally it brings the desired results, but not always the privatization is possible. Another critical case that we should refer to is finding the adequate methods, implementation of the reforms in the terms of the governance of the public enterprises which have a great impact in the Albanian economy. The public enterprises should apply programs that

\textsuperscript{10} (Banka e Shqipërisë 2009, 2010, 2011), Raporti Vjetor i Mbikëqyrjes
will be crowned with financial and physical results, with growth, efficiency and welfare. Searching for innovation to strengthen the efficiency and effectiveness of management in the public enterprises, we can emphasize a "global consortium for development", thing that is the development goal of the millennium.

The reforms of the government are the most important ways to improve the performance of the public enterprises. With the goal the functioning with effectiveness of the public enterprises, they should be well supervised by a state agency or an independent board. The directing of the enterprise includes the structures and procedures that secure the function with effectiveness and responsibility of the enterprise in the public interest and to contribute in the national development. The role of the governance is to assign the policies, procedures and organizational structures that direct the activity of the public enterprises to achieve these goals.

The analysts of the Albanian economy in their debates about the economic reform often offer solutions that become objects of discussions in the scientific environments and that unfortunately remain in the drawer of the forgotten studies because of the engagement, or because of the insufficient interest of the policy in general. Besides other, one of the cases that are discussed in a permanent way is the degree of independence of the manager in taking the decisions in the public enterprises. Not only in the countries in transition, is the reduction of the intervention of the politic very difficult. The first step in the alleviation of the intervention of the politic would be clarifying the roles of the government as a shareholder, financier, regulator, supplier, client, etc. In Albania all the public enterprises in the form of anonymous companies for cases of economical administration, depend by rule by the directory of the administration of the anonymous societies in the Ministry of economy, while their leadership by the professional view is done by the Ministry depending on whose it is.

The increasing independence of the management of the supervising boards is another success factor in the governance. In Albania the public business has left out of the attention the fact that it should be managed by the rules of the private capital. The main problem is the absence of the managerial concepts. One of the negative phenomena is the short time of residence of the directors in directive posts. According to a study made in the public and private sector it resulted that the average time of residence of the directors in the public sector is 4.3 years, against 6.5 years residence time of the directors in the private business. Exactly the frequent turnover of the high level directors, thanks to the elections and the appointments of the new people with political manners in the administrative hierarchy, divides the innovations and the change. This phenomenon deepens furthermore when there is a inconsistency between the education and the job.

Another success factor is the presence of a relatively independent board. The boards are the axis for the management of the interest through the shareholders, management and other stakeholders, in their efforts to establish the right equilibrium. The corporate boards are dynamic social systems. An effective culture of the board is essential for the effective management of the crisis. Generally in the countries of EJL there are no legal demands for the independent and no executive members of the boards, and there are still some independent board members in the company boards. The building of a solid board is not easy. Even in Albania there is a positive tendency directed to the legislative changes where is predicted a minimal number of independent members. A positive effect is the definition of a limited number of boards where a member can participate aiming this way the increase of the effectiveness of the work of every member.

The transparence is considered as the cornerstone of a serious governance reform. According to the researchers, from the studies made in our country, is found that the stock companies see the cases linked with the exposure of the information and over the transparence generally as an answer to the liability for the respect of the legal specific demands that regulates their business. Some of them argue the drawbacks in the publication of the information not only with the non strong legislation demands, but also with the high cost linked with the exposure of the information. Besides this, we note that till now, none of the Albanian companies has been listed, not having so the pressure of the market for

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11 (Stillo 2011), Menaxhimi publik dhe efektiviteti i reformave ne sektorin publik
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the increased transparency. With all the efforts for improvement, we admit that the transparence and the discovery in the
countries in transition and especially the countries of the South-East Europe including Albania, despite the progress
made, there are still many sharp problems in this field. This situation is partially a product of the last socialist system,
where the finances served generally for taxation and statistic purposes and where the information served as an important
mean in the contracting of centralized process of planning.

As a conclusion, in Albania is being created a culture of the Corporate Governance and the awareness of the
companies is increasing for its importance. But a number of challenges remain such as nepotism, nonfunctional of the
market of the capitals, the poor transparence, the relations between the government and the companies, even though
there is a legal framework, its applicability constitutes a challenge for the Albanian business. All these cases have the
need for attention in the conditions when one of the priorities of Albania is the attraction of the foreign investments, while
some important sectors of the economy as the energy and the mines, are on their road to privatization by the foreign
companies. It is a demand of the joint-stock companies to follow the principles of good governance by separating the
ownership of control, the quality of the direction board, the responsibility over the groups of interest, etc.

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Constitutional Future of Europe

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Abstract

The 3rd millenium gives us the opportunity to construct activities on the field of the Constitution, giving that the level of constitutional development is achieved. The presentation of our futurological view of the Constitution will not be the product of imaginative assumptions, but the expectations we form based on the records of European constitutional experience so far. We certainly do not hide the fact that in our formulated standpoints the intuitive understandings of the future events in the constitutional field will also be included. At the same time, we are aware of the risks we take, because the primary standpoint we occupy is based on democratic development tendency in the field of the Constitution. Arguments in favor of that standpoint can be found in several unbiased facts which must be acknowledged, which provides the base of the acceptable scientific work with valid results. The forming of the constitutional reality of each individual country, considering all their specific qualities, is growingly under the influence of standardization established on the level of the European Union and the European rules outside the boundaries of European Union as well. It is obvious that we look at a complex constitutional puzzle formed by various parts, which does not stop us to present the existing and expected European Constitution (map consisting of individual constitutions of member states). For all these reasons, we are interested in recognizing the future development of the constitutionalism in Europe. It is therefore necessary to pay a special attention to the most vital, realistic and acceptable ideas about directions European constitutionalism should follow in the future. The unmeasurable and irreplaceable contribution which science can give, precisely consists of constructing and finding such ideas which can help main constitutional bodies to project new forms of constitution. In the great part of the article, the authors consider the idea of the European Constitution.

Keywords: Europe, European Union, Constitution, constitutionalism, European Constitution, future.

1. Introduction

It is necessary to precisely determine the scope of this research work at the very beginning with which we will achieve the effect of a principal and timely response towards the assigned theme.

Constitutional future of Europe assumes the projection of the position of the constitution at two levels. The first level is related to individual national constitutions with the possibility of identifying relevant common indicators of the situation in this field. The second refers to the level of European integration, so it is possible to split it to a firm institutional form, embodied in the European Union, and a European legal and political area which is, in the sense of institutional cohesion, politically "softer". These levels are mutually connected because they are interculturally dependent and influenced. The reshaping of constitutional reality of individual states is under the increasing influence of the standardization established at the level of European Union, as well as the European rules outside EU with the respect of individual cultural traits. It is obvious that we are facing a complex constitutional mosaic consisting of numerous versatile parts which will not prevent us from making an attempt to present the existing and expected constitutional map. Our interest in the current situation is motivated by our wish to discern the future direction of its development.

Besides a classical literary format from the domain of constitutional law, which is dedicated to these issues, we believe that it is necessary to focus our attention to specific vital, real and acceptable ideas related to the question what direction European constitutionality should pursue. The discovery and creation of such ideas represent an immeasurable and irreplaceable contribution of science allowing competent holders of constitutional power to indulge into prospective
constitutional projections. This year’s celebration of a half century of Shuman’s vision of Europe is a good opportunity to remind us that it has gradually become a reality. It was Shuman who warned us that Europe would not be made all at once, so we have to be aware that constitutional architecture represents a nice conceptual creation to which we need to dedicate much time and effort.

With respect to the outlined scope of our work, our attention is focused on the idea of the European constitution. However, we recognize this idea as one of conceptual sources that lay the basis for the establishment of hypothetic constructions related to European constitutional future.

2. European constitutional attempt

The idea of a European constitution dates back several decades. The acceleration of the process of European integration and close links of EU countries in political, safety, economic, cultural and educational aspects raised the question of EU constitutional future. Does such a complex community need a constitution or it can be satisfied with founding acts and agreements which are still in force today? The idea of a European constitution began to take root considerably before its manifestation at the beginning of the 21st century. Although a European constitution as a general legal act has never been adopted by EU, it has been emphasized in theory that EU law is essentially equivalent to a constitution, and therefore, such an order does not need a constitutional reestablishing. The facts from rich constitutional, both European and world history, show that EU law has a lot of similarities with the law that creates constitution. However, such a law is similar to the type of the constitution which is in the constitutional theory called the uncodified constitution. It is a type of constitution whose matter is dispersed into several acts with constitutional force. Such was the constitution of French Third Republic (1875-1940) whole faults were manifested in practice in the form of the utmost instability of the executive branch of government.

Yet, the European Union needs a stable executive branch, that is the standardization and regulation of all executive authorities at one place, that is in one constitutional act. This is a necessary precondition, but not an only one, since there also should be institutional mechanisms for the rationalization of European parliamentarism and strengthening of political institutions of the executive branch. The repeated discussions on European constitution (we say "repeated" since such discussions also took place in the 1980s) from the beginning of the 21st century underline this constitutional deficit. Whatever judgment on further contractual development of EU law may be, it seems that there remains a need for a European constitution that will harmonize the present and possible future provisions and that will give the principle EU law a singular and charter-positioning value of a national constitution. How can we otherwise interpret numerous attempts and activities aimed at creating a European constitution? It was back in 1984 when the European Parliament presented the draft of the European Constitution related to the establishment of the European Union. A group of German members of Parliament prepared a draft of the constitution of the federal union in 1988. The Institutional Committee of the European Parliament presented a working document of the EU constitution in 1993. Also, even before the Intergovernmental Conference in 1996, there were some resolutions referring to the EU constitution. From Spinelli’s Committee in the European Parliament from the 1980s there have been a number of attempts and drafts to award EU countries with a common constitution presented in a single constitutional act. “(Vorlander, 2002:4)

Thus, in December of 2001, the European Council, a body including the heads of states and governments of EU member countries, passed a decision on the establishment of the European Convention, a body whose purpose was to prepare a draft constitution of the European Union that would meet the needs of the enlarged European Union with more than 20 member states. The European Convention was a mixed body consisting of 105 members. The Convention had two vice-presidents: the former Italian president Giuliano Amato and the former Belgium Prime Minister, Dehaen. The Convention consisted of the representatives of the heads of the states and governments of, at that time, 15 EU member states, the representatives of, at that time, 13 EU candidate countries: Czech Republic, Poland, Hungary, Slovenia, Estonia, Bulgaria, Romania, Lithuania, Latvia, Slovakia, Cyprus, Malta and Turkey, 30 representatives of national parliaments of EU member states, 26 representatives of national assemblies of the candidate countries, 16 members of the European Parliament and two representative of the European Commission. Also present as the observers were 3 representatives of the economic and social committees, as the EU consulting bodies, 6 representatives of one of EU advisory bodies (in this case it was the Committee of the Regions), 3 representatives of the union, as the social partners and the delegate of the European Ombudsman. The Convention’s Presidency consisted of the chairman, two members of the European Parliament, two members of the European Commission and two members of national parliaments of the member states, as well as, the representatives of the governments of Spain, Denmark and Greece (the three countries which were the EU presiding countries for a six-month period).
It officially started to work at the beginning of 2002 headed by former French president Valery Giscard d’Estaing (the third president of the French Fifth Republic). At its meeting in Thessaloniki in July 2003, they submitted a draft text of the future EU constitution. The Convention held 26 plenary sessions from the moment of its foundation in February 2002 until July 19, 2003, that is the Summit in Thessaloniki. The Committee heard about 1800 suggestions and interventions. The Convention consisted of 11 working groups, while its Presidency met more than 50 times, submitting various written reports. The proposed draft text was accepted at this meeting related to the development of European integration in line with the goals adopted at the meeting of the European Council in Nice in 2000. The Laeken Declaration from 2001 states that the European integration was established in order to bring EU closer to its citizens, strengthen its democratic character, enhance EU decision-making capacities, particularly after its enlargement, improve the ability to act on the international scene as a coherent and unique force and to efficiently cope with the globalization challenges. (The Article 3. of Laeken Declaration).

As van Hama states, the adoption of EU constitution was aimed at finalizing the accelerated process of the transformation of the European Community from the trade association, Gesellschaft in German language, towards a political union, Gemeinschaft in German, as well as at finalizing the political process of growing of the European Union from the Union of states (Verband) towards a federal state union of European people (Verbund) (Van Hama, 2000). Dusan Sidjanski states that this would finally pave the path towards the "federalist future of Europe." (Sidjanski, 1996). The draft text of the future EU constitution, presented in Thessaloniki at the end of 2003 was to be finally harmonized at the Intergovernmental Conference, followed by the process of ratification.

As it usually happens in complex communities, such is the European Union, the first attempt of harmonization of the draft text failed, because of Spanish and Polish opposition contesting the proposed system of the distribution of votes in the future European Parliament. This resulted in a six-month prolongation during which the text was being modified and the new Treaty establishing the Constitution for Europe (also known as the Constitution of European Union) was adopted by the European Council in Brussels in June 2004, while the official ceremony of signing the document was held in October 2004. The ratification process started after the adoption of the final text of the European constitution. Thus, nine member states ratified this document in 2005: Austria, Greece, Hungary, Italy, Lithuania, Latvia, Slovenia, Slovakia, Spain and Germany whose Bundestag supported the ratification with majority of votes. Yet, the ratification process did not go without difficulties and deadlines were not respected. The national referenda, organized in France and Holland in 2005 had negative results, that is the ratification of the adopted Constitution of the European Union was not approved in these countries. This means that the document bearing the name the Constitution of the European Union was not a legally perfect document, and its destiny, as the element of a constitutional character, depends on future political decisions within the European Union (Slavnic, 2007:87). In practice, the unsurpassable obstacle was the requirement for an unanimous approval of the Constitution of the European Union. Also, the legal means – the approval of the Constitution by organizing the public referenda in EU member states proved to be an inconvenient and impractical method. The Treaty establishing the Constitution for Europe foresees that in order to coming into effect, it needs to be ratified by all member states. Also, it allowed the possibility that if 4/5 of the member states ratified the Constitution, the Council of Europe would consider an alternative way of its coming into effect. In addition, according to this Treaty, the mere procedure of changing the Constitution of the European Union is as complicated as the procedure of its adoption. It can be changed only by a consensus of all member states on the recommendation of the Intergovernmental Conference. According to this, the changes of the principal constitutional act of the European Union come into effect after the ratification by all member states, the method of which is defined by individual national legislations. The preamble of the EU Constitution states: "Convinced that, while remaining proud of their own national identities and history, the peoples of Europe are determined to transcend their former divisions and, united ever more closely, to forge a common destiny," From this preamble we can conclude that the Constitution of the European Union does not plead to create a European state or a super state, or a European nation. The Constitution of the European Union, which, we hope, will be soon wholly ratified, will be a legally unique document that will substitute the Treaty establishing the European Community and European Union.

3. The contents of the document called the Constitution of the European Union

The Constitution of the European Union, as designed in the convention, has 448 articles. This fact alone, without the following protocols and declarations annexed to it makes it an exceptionally large document. The structure of this document includes the mentioned preamble and four numerated parts in which the text of the Constitution is grouped under titles, chapters and articles. We would like to note that the length and style of the provisions reflect the Anglo-Saxon legislative techniques. The document called "the Constitution of the European Union" begins with the preamble,
followed by the Part I (without the headline, but with 9 titles: 1. Definition and the objectives of the Union, 2. Fundamental rights and citizenship of the Union, 3. The Union competences, 4. The Union institutions and bodies, 5. Exercise of the Union competences 6. The democratic life of the Union, 7. The Union’s finances 8. The Union and its neighbors, 9. The Union membership.

Part I, which does not have a title, includes the most important issues, that is *materiales constitucionis*, and thus, by its content, can be considered as the part with principal, general provisions. Title I of the Constitution reflects the commitment to traditional, liberal and democratic values. It also includes a detailed list of the Union’s goals where we can recognize some new elements incorporated under the influence of social theories (the theory of the state of well-being). Title II of the Constitution comprises the Charter of Fundamental Rights, which, being incorporated into the constitutional text, receives the constitutional force. The citizens of Europe are given the widest possible spectrum of civil rights and liberties with an efficient system of their protection. Title III is the largest part of the Constitution and is related to the Union’s policies and activities. It includes a number of important provisions from still valid agreements on European Communities (this section is the largest, consisting of 342 articles). Title IV comprises general and closing provisions. It regulates the termination of European communities, that is, after the adoption of the Constitution, all the agreements on establishing the European communities cease to be valid. After the adoption of the Constitution, the European Union becomes the legal successor of the rights and obligations of the European communities that had been established before. In theory, this will practically mark the end of three pillars that carry the European Union according to the Maastricht Treaty.

4. **The constituted goals and principles on which the Union was founded according to the draft of the Constitution**

The Article 1. of this Constitution describes the European Union as a union of European citizens and states, open to all European states which respect its values and are committed to promoting them together. With the Treaty establishing the Constitution for Europe, the member states entrust their authorities to the European Union for the purpose of achieving the common goals and the European Union coordinates the policies of all member states. The Constitution also defines the values on which the Union is based, that is the values common to all member states – pluralism, tolerance, justice, solidarity and non-discrimination. These values respect human dignity, freedom, democracy, equality, rule of law, as well as human rights. The free movement of persons, services, goods and capital, and freedom of establishment are guaranteed within and by the Union, in accordance with the Constitution. The Union’s bodies have a clear task to prevent any discrimination on grounds of nationality.

The Union’s aim is to promote peace, its values and the well-being of its nations and it offers its citizens an area of freedom, security and justice, as a unique market where competition is free and undistorted. The European Union is the economic area consisting of the states with unequal economic power. In the economic sense, the Union’s bodies have a clear task to work for the sustainable development of Europe. Long-term development of the European Union is based on the balanced economic growth, market economy, which should not neglect the social component, the highly competitive economy aimed at full employment and social enhancement, and the highest level of environmental protection. As for social context, the goal of the Union is to combat social exclusion and discrimination. Here the European Union should promote the idea of a state of social justice, promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child and vulnerable groups. In international relations, the Union will uphold its internally defined values, including respect for the principles of the United Nations Charter of Fundamental Rights.

5. **Relations between the Union and the Member States**

As for the relations between the Union and the Member States, we would like to emphasize that they are principally defined through the Unions’ obligations related to the respect of their national identities, inherent in their fundamental structures, inclusive of regional and local self-government. It should also respect their essential State functions, including ensuring the territorial integrity of the State, maintaining law and order and safeguarding national security. Pursuant to the principle of sincere cooperation, the Union and the Member States are obliged to mutually respect and assist each other in carrying out tasks which flow from the Constitution.

The Member States are obliged to refrain from any activity which could jeopardize the attainment of the Union’s objectives. Since the United Nations Charter on Fundamental Rights is the constituent part of the Constitution, this means that the Union has assumed the responsibility to recognize all the rights, freedoms and principles set out in this Chapter.
Also, the Constitution states that the Union should accede to the European Convention for the Protection of Human Rights and Fundamental Freedoms. This results in the fact that the rules from this Convention and the rules from the EU Constitution will constitute basic legal principles of EU law. As for citizens, every national of a Member State is a citizen of the Union. The citizenship of the Union is additional to national citizenship and does not replace it. The list of the rights that the citizens of the European Union enjoy includes: the right to move and reside freely within its territory, the right to vote and to stand as candidates in elections to the European Parliament, the right to the protection of the diplomatic and consular authorities, the right to petition the European Parliament, to apply to the European Ombudsman, and to address the institutions and advisory bodies of the Union in any of the Union’s official languages.

We would like to emphasize that a special working group was established to define the text of the EU Constitution related to the issue of legal entity any this group proposed two solutions to this question. The first solution envisaged that the European Union should be given the status of a legal entity, parallel with the ones that the European Community and European Atomic Energy Community already enjoyed. The second solution proposed that the European Union should be a unique legal entity that will replace the existing communities’ entities. Eventually, this solution prevailed with the justification that the proposal including parallel legal entities would not contribute to the clarification and simplification of the Union’s role in international relations, especially when dealing with joint agreements that need to be signed by the Union and existing European communities. Thus, by the provisions of the Article 6. of the First Title, First Section, the European Union has been explicitly recognized as a legal entity.

6. Conclusion

The above presented chronological analysis of the efforts dedicated to the adoption of a specific act, the Constitution of the European Union is not just a technical presentation of facts and reminiscence of one phase in the development of European integration. The authors view it as a significant endeavor to realize the idea of a strong community of people and nations living in this European political area. Of course, the journey leading to the full realization of this idea is arduous. Taking into consideration the historical development of the European integration processes, it seems acceptable to apply the formula of fundamental rule of economic motives in integration processes to the constitutional domain: it represents the following equation “preference x institutions = results” (Hinich & Munger, 1997). Apparently, this elementary equation calls for the need of the existence of an institutionalized form of integrative processes that have started in the second half of the 20th century and continued to the modern times predicting the future of Europe in the 21st century.

Thus, the appearance of the first forms of European integration, that were the predecessors of the following integration phases, represented a clear sign that the era of conflicts between nations started to disappear. Just as Shuman Declaration recommends “that coming together of the nations of Europe requires the elimination of the age-old opposition of France and Germany” (Bulletin of the European Communities 13, 1980). We would like to underline the need for the elimination of pointless constitutional differences between states related to basic preconditions for the existence of democratic constitutional states. The idea of a unique European Constitution now seems to be a suitable means to underline the advantage of the vision of European unity. “If we link this vision to the process of governance and constitutional structure, the final model of the Community and constitutionalized agreements stand as equivalents in the European localized context, of the utopian model of "world government" in the classic international law. The future Europe in this form will indeed constitute a final death to the nationalism of member states, and in this way, the final attainment of original goals, through a political union in the form of a federal system of governance” (Weiler, 2002:113).

Development of European constitutionality to this date, especially in the second half of the 20th century points to certain conclusions and observations that we may derive. It is undisputable that at the level of Western European countries, a certain degree of stabilization of democratic constitutional orders have been attained, especially in the countries that suffered from the Fascist occupation. Afterwards, the force of democratic wave of constitutionality has eventually succeeded to radically eliminate the negative constitutional tendencies within the borders of former communist systems. In this way, the situation with European constitution has reached the line of harmonization of democratic constitutional standards at the level of European political area. There remains the obligation to continue further stabilization of relatively young constitutional democracies in former European communist countries. The analysis of the constitutional prospects cannot be solely based on the interpretation of constitutions outside their wider social ambient. The constitutional future of Europe depends on the economic and political future of the European Union, and that is why it was necessary to summarize the current situation with the reference to the idea of the European Constitution. The celebration of a half century from the institutional beginnings of the European model of unity is a good opportunity to summarize the achievements in this field and represents a solid ground for the perception of the future events.
At first sight, the economic crisis that occurred in some European countries seems to threaten further development of the idea of the European Constitution. However, the authors point to the fact that the critical period in the development of European integration caught Europe without a clearly defined idea how to achieve a stronger constitutionalization, which is a good opportunity to raise the question whether this deficiency is one of the causes that has slowed down the efficiency of multinational European political family in resolving the major problem it has been facing. We believe that it is the scientific forum who is responsible to provide competent answers to such questions, so we hope that this work will be a modest contribution that will incite further research efforts in that direction.

References

The Article 3 of Laeken Declaration – available at: www.ue.eu.int
The Promotion of Multilingualism in Albania: 
The Role of Italian Language at School and in the Work-Place

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Abstract

Languages have a very significant role in society, in economy, in the working place and in the political relationships among different countries. Multilingualism is a key element nowadays that not only facilitates communication but helps to move between cultures. This article aims to present the situation of multilingualism in Albania with reference to the promotion of language skills in school and their role on employability in the labor market by focusing on the Italian language as one of the best known and most popular languages among European ones that are spoken in Albania. Reforms in the curricula of the education system in Albania are conceptualized according to the education strategies of the Council of Europe and of the EU – where Albania aims to become a member state – and focuses on the promotion of multilingualism and multiculturalist education among the new generation. It is in such context that the teaching and learning of community languages became part of the curricula starting from the very first classes in the elementary school and adding to two the number of languages that are taught in this phase of education in addition to the mother tongue. In the course of secondary education there is assigned an important role to foreign language which are part of the curricula and of the maturity exam; meanwhile their importance is clearly confirmed during university studies and graduate studies. The practice in job recruitment provides evidence that the knowledge of languages increases considerably the possibilities and chances of success for those aspiring to find work in both public and private sectors. Knowledge of a foreign language (preferably English) is now one of the key requirements for participation in all competitions and job applications. In addition, the knowledge of multiple languages is a credit to those who participate in these contests. Even in the private sector the knowledge of languages has become a necessity both in the context of communication and trade with foreign companies and suppliers, and in the area of the work carried out on behalf of foreign companies that conduct their business in Albania. In conclusion, there will be shown that the Italian language occupies an important place in the system of education and training, as well as having a central role in the labor market, especially in the private sector, while taking into account the considerable number of Italian companies present on the territory of Albania and the intensity of trade and cultural exchanges between these two countries, Albania and Italy.

1. Introduzione

Le lingue ricoprono un ruolo importante nella società, nell’economia, nel mondo del lavoro e nelle relazioni politiche fra gli stati costituendo parte integrante della cultura e della civiltà umana. La conoscenza di un certo numero di lingue straniere, al giorno d’oggi, è un elemento chiave che non si limita a facilitare la comunicazione ma contribuisce a muoversi fra le culture.

Il valore della diversità linguistica come patrimonio da tutelare e rispettare e la funzione di integrazione sociale, economica e politica che viene riconosciuto alle lingue sono enunciati in essenziali documenti europei i quali oltre a ribadire il multilinguismo come uno dei tratti caratterizzanti dell’identità europea hanno dato voce all’esigenza di elaborare politiche educative plurilingue in tutta l’Europa.

A differenza del multilinguismo che può essere considerato come proprietà di un determinato territorio, il plurilinguismo viene considerato proprietà del singolo individuo che si esprime nella capacità umana di usare le lingue per comunicare e partecipare all’interazione culturale, disponendo di vari tipi di competenza in più lingue (o varietà di lingua) ed avendo esperienze di più culture (Council of Europe, 2001).

A partire da queste considerazioni, questo articolo si propone di presentare la situazione del plurilinguismo in Albania con riferimento alla promozione delle competenze linguistiche a scuola e il loro ruolo sull’occupabilità nel mercato del lavoro ponendo l’attenzione sulla lingua italiana in quanto una delle lingue comunitarie più conosciute e parlate nel paese.

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2. Il plurilinguismo e l’educazione plurilingue

La valorizzazione e la promozione del plurilinguismo è diventata progressivamente l’asse di un modello di politica linguistica originale dell’Europa che ha come finalità di «incoraggiare le persone al rispetto e all’apertura verso la diversità delle lingue e delle culture in una società multilingue e multicultural e di promuovere la consapevolezza della dimensione delle loro capacità e del loro potenziale di sviluppo. Un efficace apprendimento di una o più lingue, la consapevolezza del valore della diversità e dell’alterità e il riconoscimento dell’utilità di ogni competenza, anche parziale, sono necessari ad ogni individuo per esercitare, come membro attivo di una comunità sociale, la sua cittadinanza democratica in una società multilingue e multicultural e» (Council of Europe, 2010, p.27)

L’approccio plurilingue del quale si è parlato implicitamente nel QCER è compito preciso della scuola che contribuisce alla formazione delle competenze linguistiche attraverso l’insegnamento plurilingue ed è ancora compito delle politiche educative di sviluppare una coscienza pluriculturale fondata sulla disponibilità di imparare e di utilizzare anche parzialmente le lingue degli altri e sulla sensibilità verso altre comunità linguistiche culturali in modo tale che gli individui si trovino in condizione di agire sulla base del rispetto reciproco e dell’inclusione.

Come segnalato nella Guida per lo sviluppo e l’attuazione di curricoli per una educazione plurilingue e interculturale tale approccio di apertura alla diversità linguistica e culturale «ha un orientamento inclusivo ed interculturale perché mette al centro della riflessione le (varietà di) lingue parlate dai bambini(alunni) trasformandole da “strumenti” quotidiani d’uso in quelli che sono per loro “oggetti (degni) di riflessione” e conferendo loro così una visibilità ed una legittimità scolastiche che sono alla base di una vera loro valorizzazione» (Council of Europe, 2010, p.152)

In conseguenza al centro dell’azione educativa deve essere l’apprendente e lo sviluppo del suo repertorio plurilingue e pluriculturale attraverso l’offerta diversificata in lingue da parte della scuola.

In un’epoca contraddistinta da nuove dimensioni transnazionali dell’economia, del sistema organizzativo e della comunicazione l’educazione plurilingue valorizza il rispetto e l’apertura alla diversità delle lingue e delle culture attorno a noi ai fini della costruzione di una società inclusiva e plurale. Il plurilinguismo individuale inteso come riconoscimento della pluriappartenenza e pluralità delle identità si trasforma in un punto di forza e vantaggio per il singolo individuo e per la comunità nel suo complesso.

Sulle linee guida tracciate da questa piattaforma della politica europea sull’educazione plurilingue che emerge dai vari testi si è costruito, dal Ministero dell’Istruzione e della Scienza in Albania, la politica della promozione delle lingue straniere nel sistema dell’istruzione parauniversitaria nella Repubblica d’Albania, nella legge sull’istruzione superiore nella Repubblica d’Albania e nella riforma dei curricula realizzata negli ultimi anni.

Nel primo di questi importanti documenti sui quali si fonda l’organizzazione e il funzionamento del sistema dell’istruzione albanese si sottolinea l’obiettivo che al termine della scuola secondaria superiore gli alunni siano in grado di comunicare in almeno due lingue straniere e di raggiungere il livello B1 nella conoscenza della madrelingua. La legge sul sistema dell’istruzione parauniversitaria specificando l’inserimento dello studio della lingua straniera nei curriculum della scuola albanese già dalla terza elementare prevede la lingua straniera come materia di esame sia negli esami nazionali dell’istruzione base, sia negli esami di maturità (denominata la Maturità Statale). Nella predetta legge ammette l’istruzione bilingue nel sistema dell’istruzione nazionale in base agli accordi bilaterali fra la Repubblica d’Albania e gli altri paesi. Ulteriormente la Legge sull’istruzione superiore rende obbligatorio l’esame che attesta la conoscenza dell’inglese sulla base dei test internazionali al termine del secondo e terzo ciclo degli studi (master e dottorato) e delle scuole di specializzazione.

3. L’italiano nell’istruzione albanese

I rapporti di vicinato e soprattutto l’intensificazione degli scambi economici e culturali tra l’Albania e l’Italia, dopo gli anni ’90, hanno contribuito a crescere l’interesse per la lingua italiana e a diffondere il suo insegnamento nelle scuole.

1 L’istruzione base comprende l’istruzione primaria e l’istruzione secondaria di primo grado.

2 Le fonti di riferimento per i dati riportati in seguito sono il Ministero dell’Educazione e della Scienza della Repubblica d’Albania e l’Ambasciata italiana a Tirana.
Al compimento della politica sulla promozione delle lingue straniere, che segue il Ministero albanese dell’Istruzione e della Scienza (MASH), la lingua italiana è inserita nei curricoli ministeriali e gli studenti albanesi possono scegliere di studiarla come seconda lingua straniera dalla I classe della scuola media di I° grado o dalla X classe del triennio della scuola media di II°3. Corsi curriculari d’italiano come seconda lingua straniera sono istituiti anche in diverse scuole private in vari distretti albanesi.


Nelle università private invece, l’italiano è insegnato come seconda lingua straniera nel corso di laurea di qualche Facoltà (Universiteti Planetar i Tiranës). Un caso particolare è rappresentato dall’università “Nostra Signora del Buon Consiglio”, l’unica che svolge quasi l’intera attività didattica in italiano. Questa università, istituita nel 2004, con sede a Tirana ed Elbasan, ha attivato sette corsi di laurea in convenzione con tre atenei statali italiani (Bari, Roma Tor Vergata e Milano), potendo così rilasciare diplomi universitari validi anche in Italia. Il numero considerevole di studenti italiani oltre gli studenti albanesi che studiano in questa università e i 500 docenti italiani che vi tengono interi corsi, contribuiscono a renderla il più grande progetto culturale-universitario italiano all’estero.

Un ruolo importante nella diffusione dell’insegnamento dell’italiano è svolto dagli accordi bilaterali in questione tra Italia e Albania.

A partire dal 1998, in seguito al Memorandum d’Intesa firmato dai rispettivi governi è iniziato, in Albania, il percorso formativo delle Sezioni Bilingui che non solo offrono ai giovani una formazione culturale e scientifica che gli rende capaci di studiare sia nelle università albanesi che in quelle italiane ma anche abilitano al lavoro in un contesto europeo. Così i giovani possono contribuire a rafforzare ulteriormente i legami tra i due paesi e i due popoli.

Il percorso formativo delle Sezioni Bilingui, volto ad assicurare solide basi umanistico-scientifiche, si sviluppa come segue:

- durata degli studi: 7 anni, di cui 4 anni nella scuola di base e 3 nel liceo;
- oltre il 50% delle ore di lezione sono svolte in lingua italiana; lo studio dell’italiano inizia dalla VI classe, con insegnanti italiani e albanesi;
- nel VIII e IX classe inizia lo studio della terminologia che aiuterà gli studenti nell’apprendimento delle discipline umanistiche e scientifiche che saranno successivamente insegnate in italiano.
- dalla X classe sono insegnate in italiano le seguenti discipline: Lingua e Letteratura italiana, Matematica e Fisica, Storia, Arte, Chimica e Biologia;
- in ogni sede di sezioni sono presenti tre docenti della scuola italiana, inviati dal Ministero degli Affari Esteri: 1 di Lingua Italiana, 1 di Lingua e Letteratura Italiana e 1 di Matematica e Fisica.

In uscita dalla XII classe di liceo lo studente sarà in grado di capire senza difficoltà la lingua italiana e di esprimersi in modo spontaneo, scorrevole e preciso. Ciò vuol dire che, secondo il quadro comune di riferimento europeo delle lingue, il grado di conoscenza della lingua italiana è pari al livello C1.

Gli studenti delle sezioni bilingui sono facilitati, con riguardo al proseguimento degli studi in Italia, in quanto possono iscriversi alle università italiane senza sostenere l’esame di Certificazione di Conoscenza della Lingua Italiana (CELI3) e i migliori alunni, iscritti presso le università italiane, ricevono borse di studio del Ministero Affari Esteri Italiano.

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3 L’inserimento dello studio della lingua italiana è stato esperimentato per la prima volta nel liceo "Çajupi" di Tirana nel 1991 per essere poi estesa nelle scuole di tutto il paese.
4 In tutto il territorio del Paese sono 18 le scuole private che al momento insegnano la lingua italiana come seconda lingua straniera.
5 Gli iscritti al Corso di laurea in Storia e lingua italiana (Università di Arghirosso) e al Corso di laurea in Geografia e italiano (Università di Elbasan), in seguito al compimento degli studi, conseguono rispettivamente la duplice qualifica di “Insegnante di Storia e di Lingua Italiana” e “Insegnante di Geografia e di Lingua Italiana”.
Il programma “Iliria”, avviato nel 2002, costituisce il secondo progetto più importante per l’insegnamento/apprendimento dell’italiano nelle scuole albanesi. Questo Programma che ha inizialmente consentito, nel sistema educativo pubblico, l’insegnamento/apprendimento dell’italiano come prima lingua straniera dalla III elementare all’ultimo anno della scuola secondaria di secondo grado, si è esteso in tutti i distretti del Paese (rispetto ai 19 precedenti).

In più il programma “Iliria” ha introdotto l’inclusione di moduli formativi di materie non linguistiche nei curricoli delle scuole di formazione professionali, anche in considerazione delle opportunità di occupazione degli studenti di queste scuole presso le imprese italiane in Albania.

In linea con l’obiettivo di diffondere l’insegnamento dell’italiano svolge la sua attività anche l’Istituto Italiano di Cultura che organizza corsi di lingua e cultura italiana secondo il Quadro Comune Europeo dal livello A1 fino al C2. Nel 2012, 1240 studenti hanno frequentato i corsi dell'IIC di Tirana, che si svolgono, non solo a Tirana, ma anche su tutto il territorio albanese in altre 15 città. Oltre ad essere sede convenzionata per gli esami di Certificazione dell’Italiano Lingua Straniera dell’Università di Perugia, dell’Università di Siena e dell’Università Roma 3 da quest’anno l’Istituto è anche sede di corsi e esami Ditals dell’Università di Siena e ha preparato i propri insegnanti all’ottenimento di questo diploma di didattica. L’Istituto organizza ugualmente corsi per bambini (7-10 anni), corsi per adolescenti (11-14 anni) e campi-scuola nel periodo estivo per queste fasce di età.

Rilevanti sono i contributi, dalla parte italiana, per la formazione degli insegnanti albanesi d’italiano e la fornitura di materiale didattico per biblioteche e laboratori delle scuole albanesi. Si sottolinea anche la collaborazione per la diffusione dell’insegnamento dell’italiano con l’Associazione dei docenti albanesi d’italiano (APADI).

Non va dimenticato anche il sostegno del Governo italiano per gli atenei albanesi (Tirana, Scutari, Elbasan, Valona, Argirocastro) presso cui lavorano professori di ruolo italiani con funzioni di Lettore.

4. L’italiano in Albania e il mondo di lavoro

Lo studio dell’italiano all’estero è dovuto a tre motivi fondamentali: "il suo destino di grande lingua di cultura, il suo destino di lingua che si appoggia a una economia, nonostante tutto, in grande espansione, il suo destino come lingua delle comunità italiane all’estero" (Baldelli 1987, 25). In Albania, fuori dal essere una lingua conosciuta per semplici motivi culturali e storici, l’italiano sia largamente appreso per motivi di lavoro.

Come emerge dai dati l’Italia si colloca in cima della classifica per il numero delle imprese con capitale partecipato (risultano oltre 500 aziende italiane e joint venture italiano-albanesi concentrate in grande parte nella zona di Tirana e per il resto lungo la costa adriatica che operano nel settore edile, nel settore tessile e calzaturiero, nel commercio e nell’industria agro-alimentare.

Negli ultimi anni sono presenti sul mercato gruppi industriali di grandi e medie dimensioni nei settori dell’energia e delle infrastrutture. Nel settore bancario svolgono la loro attività due grandi gruppi bancari italiani, (Intesa SanPaolo e il Gruppo Veneto Banca) che sono un appoggio finanziario importante per l’attività delle imprese italiane. Interessante sviluppo sta avendo inoltre la delocalizzazione dei servizi attraverso, ad esempio, le presenze di alcuni gruppi italiani che hanno qui realizzato call-centers. Gruppi imprenditoriali italiani sono presenti anche nel settore sanitario e di consulenza legale.

Gli investimenti italiani in crescita in questo decennio hanno creato, in Albania, migliaia di posti di lavoro e hanno fatto sì che l’italiano abbia un ruolo considerevole come lingua di lavoro.

La conoscenza dell’italiano ha offerto buone opportunità di occupazione per molti giovani diplomati e laureati. L’italiano è diventato lingua di lavoro, per gli albanesi, oltre che per la forte presenza delle imprese italiane in vari settori dell’economia del paese anche per l’attività di formazione linguistica e professionale inerente l’implementazione dell’Accordo di cooperazione bilaterale fra i due paesi in materia di migrazione per lavoro.

Questo ha favorito l’ingresso in Italia di molti cittadini albanesi offrendo un occupazione alternativa a quella nel loro paese ma allo stesso tempo ha dato luogo ad un approccio raffinato con la lingua, la cultura e in generale con il sistema italiano.

5. Conclusioni

La promozione del plurilinguismo, come condizione della piena integrazione del cittadino nella società europea, costituisce un principio base del nuovo sistema educativo in Albania. La costruzione di un educazione plurilingue e interculturale, in questi venti anni di ristrutturazione del sistema scolastico, si pone il compito di costruire il modello del cittadino europeo che si riconosca come membro di una società multiculturale e plurilingue in cui lo sviluppo della
competenza plurilingue oltre a creare la consapevolezza della diversità delle lingue e del loro valore permette di entrare in contatto con altre culture per conoscersi e accettarsi reciprocamente.

Il plurilinguismo apre, quindi, all’individuo, nuove possibilità di formazione e crescita personale, di inclusione sociale e di occupazione e contribuisce all’esercizio della cittadinanza attiva anche oltre i confini del territorio nazionale.

In questo contesto di promozione del plurilinguismo, quale riconoscimento del carattere plurale della nostra società, l’italiano risulta la lingua più studiata come seconda lingua scelta dagli alunni albanesi. Inoltre l’italiano ha rafforzato il suo ruolo nel sistema educativo albanese tanto come prima lingua straniera attraverso l’attivazione del Programma Illiria quanto con il percorso formativo bilingue e biculturale offerto dalle Sezioni Bilingui.

La diffusa conoscenza dell’italiano ha facilitato l’occupazione di una parte della popolazione attiva ma viene ancora considerato un indubbio vantaggio insieme ad altri fattori che rendono il paese un mercato interessante per i futuri investimenti italiani.

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Le Cadre européen commun de référence pour les langues (CECR) et l’élaboration de politiques linguistiques: défis et responsabilités.

The Path of Producer Services Promoting China’s Manufacturing Structure Upgrade: 
An Empirical Study Based on Structural Equation Model

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Abstract

Producer services play an import role in accelerating the development of manufacturing industry; however, the path that producer services promoting China’s manufacturing structure upgrade has not been adequately studied. According to provinces' panel data in China from 2000 to 2010, structural equation model is built up to empirically analyze the effect and path that producer services affect its manufacturing structure upgrade. It is showed that: producer services significantly promote manufacturing structure upgrade; producer services promote manufacturing structure upgrade through direct and indirect effect, where indirect effect is greater than direct effect; the indirect effect reached by stimulating demand is much greater than by improving technology.

Keyword: Producer Services; Manufacturing Structure Upgrade; Structural Equation Model

1. Background and literature review

In the era of services economy, producer services, as an important part of services industry, has developed rapidly and become a pillar industry in many European and American countries and even some developing countries. According to 2012 International Statistical Yearbook, services industries in developed countries and regions contributed a 70% increase in GDP, while producer services sector accounted for the proportion of more than 50%.

China is now in a critical period of new economic development mode in which its purpose is to optimize industrial structure and achieve economic-social-environment development coordination. Industrial structure optimization reflects not only the relationship between three strata industries, but also the development of intra-industry. Since producer services represents service sector's development level, and it also can promote manufacturing industry development, therefore it obviously has become one of most important industry which needs to be emphasized in. Then researches on producer services are flourishing, with the relationship between producer services and manufacturing industry becoming one of most prominent research focus.

Producer services in fact were born out of manufacturing industry. Following with the strengthening and deepening of the social division and competitiveness level, producer services has been separated from manufacturing industry to become an independent department. Also, going after the improvement of economic development, the share of producer services is raising up. As soon as producer services reach a certain development level, with powerful support functions to nurturing manufacturing industry, it simultaneously decreases investment capital and increases investment quality to be
conducive to the specialization and refinement of manufacturing industry and then becomes traction and propulsion of manufacturing industry growth (Andersson, 2004; Liu, 2006).

Many scholars have conducted empirical researches on the mutual relation between producer services and manufacturing industry to show the promotion role of producer services for manufacturing growth. For instance, Selya (1994) pointed out that, producer services are able to upgrade manufacturing industry's competitiveness, achieve space reconstruction of metropolitan manufacturing sector as it is one of the driving forces of the economic development; Research of Jiang Jing, Liu Zhibiao and Yu (2007) recognized that the expansion of producer services promote manufacturing industry's overall efficiency improvement; Gao and Li (2011) discovered that the development of producer services has remarkable effect in promoting manufacturing industry growth, and vice versa. Also, there exists an interactive development within producer services' internal departments and manufacturing. Zhao and Cheng (2012) found that the higher producer services' economic level was, the stronger role in promoting manufacturing development would be. Pang (2012) considered that China's producer services and manufacturing industry are now at growing stage in which the interactive development between these two sectors is asymmetrically mutualistic; the influence of producer services on manufacturing industry is more than that of manufacturing industry on producer services.

In further research, scholars not only emphasized on the role of producer services towards manufacturing industry growth, but have begun to show their consideration on the role and path of producer services towards upgrading manufacturing structure. Lu (2008) claimed that the development of producer services towards whole economy mainly reflects in two aspects: to promote the optimizing and upgrading industrial structure and to enhance industrial competitiveness; services industry lagging behind manufacturing industry and insufficient producer services development are the major reasons restricting the upgrading of China's manufacturing industry structure. Based on Beijing's input-output data and by using input-output method to research on the relation between producer services' development and industrial structure adjustment, Xia (2008) concluded that producer services' development plays a crucial role towards Beijing's industrial structure adjustment. Han (2010) took Ningbo as example in his empirical research, recognizing that producer services development holds a very important help for Ningbo's manufacturing industry's upgrading.

Although many scholars have made numbers of available empirical researches on the relationship between producer services and manufacturing upgrade, there are incompleteness as follows: (1) producer services are separated out from manufacturing industry so it naturally has relevant relation with manufacturing industry growth; therefore available researches mainly focused on the relation between producer services and manufacturing industry growth but neglected the influence of producer services on manufacturing structure upgrade; (2) such researches rarely used empirical method to testify the path of producer services influencing manufacturing structure upgrade. They usually used theoretical speculation method to explain the internal mechanisms, lacking of strong data demonstration. Thus, structural equation model will be built up in this research to analyze how producer services influences manufacturing structure upgrade, which complements the current available researches and therefore achieves relevant revelations of promoting China's manufacturing structure upgrade by developing producer services.

2. Building Structural Equation Model

Structural equation model (SEM) is a multivariate statistical analysis technique which combines multiple regression and factor analysis organically so as to evaluate automatically a series of syntrophic causal relationship. SEM has similar usages as multiple regression, but it holds stronger function, which is suitable for modeling in complicated condition including latent variables, independent variables relevance, variables, multiple dependent variables, and so on. To be a powerful replacement of multiple regression, path analysis, time series analysis and covariance analysis as well as other methods, SEM has contributed large sort of applications in economics, sociology and social sciences field (Hou, Wen & Chen, 2003; Wu, 2012).

2.1 Research assumptions and conceptual model

Scholars' researches results have shown that, on one hand, being the intermediate input of manufacturing industry, producer services are able to improve effectively manufacturing industry's productivity, and then promote its structure upgrade; on the other hand, producer services can promote manufacturing structure upgrade through its function on demand and technological progress. Therefore, the following five assumptions are come up with served as the basis of Structural equation modeling.

H1: Producer services have significantly positive direct impact on manufacturing structure upgrade.
Producer service industry, separated from specialized division of manufacturing industry, is a particular department which is set apart from the internal manufacturing industry to provide services for producing. It is able to raise productivity, reduce producing costs, improve the added value of products, and then increase the value-added technological level in the whole manufacturing industry, which is helpful for adjusting the manufacturing structure.

H2: Producer services have significantly positive direct impact on demand.
Producer service industry run throughout upstream, midstream and downstream of the production progress; it holds a high-teach content, internationalization and other particular features which help producer services strong enough to lift up domestic commodities' value-added, to strengthen international competitiveness, and thus raise export and domestic market demand.

H3: Producer services have significantly positive direct impact on technological progress.
Producer services are actually with a very close relation with knowledge and technology; its producing process needs to invest much knowledge and technology, highly specialized knowledge capital and technology capital are then accumulated, thus condense in produced goods and services to promote technological progress.

H4: Demand has significantly positive direct impact on manufacturing structure upgrade.
The final objective of production is to satisfy people's demands. When demand changes, it will affect inevitably on manufacturing structure. Changes in demand will lead to contradictions and maladjustment between the original producing structure and demand structure. New manufacturing department is now required to replace for the old one. Manufacturing industry structure is then to be upgraded.

H5: Technological progress has significantly positive direct impact on manufacturing structure upgrade.
Technological progress has provided new tool and producing method by using scientific management to improve productivity efficiency so that producing costs are reduced. Diversity of technological innovation capability will accelerate social and economic resources' transferring from lower productivity department to higher one, thus promote manufacturing structure upgrade.

In view of the above assumptions, a conceptual model (Figure 1) can be obtained showing the relationship between producer services, demand, technological progress and manufacturing structure upgrade, which is served as the basis of the empirical model, where the straight lines represent the corresponding research assumptions, while the plusminus signs in the brackets indicate the functioning direction.

Figure 1. Conceptual model of producer services promoting manufacturing structure upgrade

2.2 The empirical model

Constructing structural equation model of producer services, influence factors and manufacturing structure upgrade results in the path coefficients, revealing the direct and indirect impact of producer services on manufacturing structure upgrade. On the basic of check analysis on variables, four latent variables and fifteen observation variables are adopted in the SEM as follows.

Producer services index (S) is selected primarily based on the production function, where GDP growth rate of producer services (S1) represents for the dynamical development state of producer services; employment in producer services (S2) indicates labor factor input; fixed assets investment (S3) and financial investment (S4) reflect capital factor input.

Using manufacturing sub-industry output value proportion to measure manufacturing structure upgrade (M), showing in details by the proportion of resource-intensive industry output value to manufacturing industry output (M1), labor-intensive industry output value to manufacturing industry output (M2), capital-intensive industry output value to manufacturing industry output (M3), capital and technology-intensive industry output value to manufacturing industry output (M4). The resource-intensive industry, labor-intensive industry, capital-intensive industry, and capital and
technology-intensive industry are calculated according to OECD’s manufacturing industry technology classification method.

Demand (D) includes not only demand growth but also change in demand structure. The value-added appreciation brought by services development will raise high-level needs. For that reason, services development (D1) itself is an index for measuring demand, which is specifically denoted by foreign demand and domestic demand. Engel coefficient (D2) and export dependence degree (D3) are used to represent for domestic and foreign demand respectively.

Indicators of technological progress (T) are also selected from production function, using college faculty growth rate (T1) to indicate labor factor investment; using effective patents growth rate (T2) and technological market share of GDP (T3) to show the dynamical development level of technological market; using scientific and education financial investment growth rate (T4) to denote capital factor investment.

Names and meanings of variables are provided in Table 1.

Table 1. Names and meanings of variables

<table>
<thead>
<tr>
<th>Latent variable</th>
<th>Observation variables</th>
<th>Meanings</th>
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<tr>
<td>Producer services (Exogenous latent variable, S)</td>
<td>S1</td>
<td>Producer services GDP growth rate (%)</td>
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<td></td>
<td>S2</td>
<td>Producer services employment (10,000 persons)</td>
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<td></td>
<td>S3</td>
<td>Producer services fixed assets investment growth rate (%)</td>
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<td></td>
<td>S4</td>
<td>Producer services financial investment growth rate (%)</td>
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<tr>
<td>Manufacturing industry upgrade (Endogenous latent variable, M)</td>
<td>M1</td>
<td>Ratio of resource-intensive industry output value to manufacturing industry output (%)</td>
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<td></td>
<td>M2</td>
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<td>M3</td>
<td>Ratio of capital-intensive industry output value to manufacturing industry output (%)</td>
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<td>M4</td>
<td>Ratio of capital and technology-intensive industry output value to manufacturing industry output (%)</td>
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<td>Demand (Endogenous latent variable, D)</td>
<td>D1</td>
<td>Tertiary industry share of GDP (%)</td>
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<td></td>
<td>D2</td>
<td>Engel coefficient (%)</td>
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<td></td>
<td>D3</td>
<td>Ratio of export to GDP (%)</td>
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<td>Technological progress (Endogenous latent variables, T)</td>
<td>T1</td>
<td>College faculty growth rate (%)</td>
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<td>T2</td>
<td>Effective patents growth rate (%)</td>
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<td>T3</td>
<td>Technological market share of GDP (%)</td>
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<td>T4</td>
<td>Scientific and education financial investment growth rate (%)</td>
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Note: producer services include Transport, Storage and Post, Information Transmission, Computer Services and Software, Wholesale and Retail Trades, Financial Intermediation, Leasing and Business Services, Scientific Research, Technical Services and Geologic Prospecting.

According to mentioned assumptions and variables above, let $S$, $D$, $T$ and $M$ represent for the endogenous variable demand, technological progress and manufacturing structure upgrade respectively, then the measurement models are constructed as below:

$$
S_i = \lambda_2 S + \varepsilon_1, \quad S_2 = \lambda_2 S + \varepsilon_4, \quad S_3 = \lambda_2 S + \varepsilon_3, \quad S_4 = \lambda_2 S + \varepsilon_4
$$

$$
D_1 = \lambda_3 D + \varepsilon_2, \quad G_2 = \lambda_4 D + \varepsilon_3, \quad G_3 = \lambda_7 D + \varepsilon_7
$$

$$
T_1 = \lambda_8 T + \varepsilon_5, \quad T_2 = \lambda_9 T + \varepsilon_6, \quad T_3 = \lambda_11 T + \varepsilon_1, \quad T_4 = \lambda_12 T + \varepsilon_2
$$

$$
M_1 = \lambda_3 M + \varepsilon_4, \quad M_2 = \lambda_3 M + \varepsilon_6, \quad M_3 = \lambda_3 M + \varepsilon_1, \quad M_4 = \lambda_3 M + \varepsilon_2
$$

While $S$ represents for a vector of exogenous observation variables, $D$, $T$ and $M$ represent for vectors of endogenous observation variables, respectively. The relationship between latent variables is shown by the following structural models.
\[ D = H_2S + \epsilon_3 \]

\[ T = H_2S + \epsilon_{13} \]

\[ M = H_1S + H_4D + H_3T + \epsilon_{11} - H_1S + H_4(H_2S + \epsilon_4) + H_3(H_2S + \epsilon_{13}) + \epsilon_{11} \] (2)

3. Empirical analyses

3.1 Variables’ descriptive statistics and validity test

In structural equation model, the selection of sample data directly affects to the validity of empirical research. Panel data of 31 provinces and cities in China from 2000 to 2010 was firstly chosen to conduct the empirical research, however, there is evident difference between manufacturing industry development in these places, therefore, it was decided to confer 50% of weight for each province and city in producer services and manufacturing output, then excluded Tibet and Qinghai because of their serious missing data and low development level of the producer services. At last, 16 provinces and cities were chosen for this empirical research, including Beijing, Tianjin, Hebei, Inner Mongolia, Liaoning, Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Shandong, Henan, Hubei, Hunan, Guangdong and Sichuan. Sample size is 176. All the Data are taken from "China Statistical Yearbook", "China Industrial Economy Statistical Yearbook" and Statistical Yearbook of provinces and cities. Initial data descriptive statistics of each index is shown in Table 2.

<table>
<thead>
<tr>
<th>Variables</th>
<th>N statistics</th>
<th>Minimum statistics</th>
<th>Maximum statistics</th>
<th>Mean statistics</th>
<th>Standard deviation statistics</th>
</tr>
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<tr>
<td>S1</td>
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<td>-27.37</td>
<td>60.59</td>
<td>13.17</td>
<td>12.19</td>
</tr>
<tr>
<td>S2</td>
<td>176</td>
<td>-16.31</td>
<td>34.39</td>
<td>0.98</td>
<td>6.96</td>
</tr>
<tr>
<td>S3</td>
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<td>93.43</td>
<td>17.84</td>
<td>22.71</td>
</tr>
<tr>
<td>S4</td>
<td>176</td>
<td>-85.66</td>
<td>86.64</td>
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</tr>
<tr>
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<td>4.29</td>
<td>1.65</td>
<td>9.37</td>
</tr>
<tr>
<td>M2</td>
<td>176</td>
<td>2.07</td>
<td>2.62</td>
<td>1.01</td>
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</tr>
<tr>
<td>M3</td>
<td>176</td>
<td>1.16</td>
<td>3.71</td>
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<td>5.67</td>
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<tr>
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<td>7.82</td>
<td>4.81</td>
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</tr>
<tr>
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<td>75.53</td>
<td>40.23</td>
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</tr>
<tr>
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<td>27.53</td>
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<td>T3</td>
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</tr>
<tr>
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<td>25.21</td>
<td>17.33</td>
<td>3.32</td>
</tr>
</tbody>
</table>

KMO and Barlett Test of Sphericity are done then, showing KMO=0.70>0.50, Sig=0.01<0.05, indicating better validity of the model data.

3.2 Parameter estimation and test

With Amos7.0, using the maximum likelihood method to estimate the parameter, the path coefficients can be figured our (Figure 2). Since the inspection result shows that coefficient and variance are all passing the significance testing, in which chi-square degrees of freedom is 4.22 (<5.00), absolute fit measure is 0.82 (>0.80), fit measure is 0.92 (>0.90) and adjusted fit measure is 0.84 (>0.80), therefore, this estimation result is acceptable.
3.3 Result analysis

Compared with the research assumptions, five conclusions can be achieved.

Firstly, significance level of H1 is smaller than 0.001, satisfying assumption 1, which means producer services have direct impact on manufacturing structure upgrade. From the empirical results, producer services affecting manufacturing structure upgrade holds two effects: direct and indirect effect, where direct effect coefficient is 0.41, and indirect effect coefficient is 0.50 (0.78*0.46+0.75*0.19). Total effect coefficient of producer services on manufacturing structure upgrade is 0.91 (0.41+0.50).

Secondly, significance level of H2 is smaller than 0.001, satisfying assumption 2, which means producer services have direct impact on demand. The direct effect coefficient of producer services on demand is 0.78, stating that producer services development can influence demand more considerably.

Thirdly, significance level of H3 is 0.005, satisfying assumption 3, which means producer services have direct impact on technological progress. The direct effect coefficient of producer services on technological progress is 0.75, explaining that producer services have powerful promotion on technological progress.

Fourthly, significance level of H4 is 0.013, satisfying assumption H4, which means demand has direct impact on manufacturing structure upgrade. The direct effect coefficient of demand on manufacturing structure upgrade is 0.46, reflecting that demand holds a push for manufacturing structure upgrade.

Fifthly, significance level of H5 is 0.013, satisfying assumption H5, which means that direct impact of technological progress on manufacturing structure upgrade. The direct effect coefficient of technological progress on manufacturing structure upgrade is 0.19, relatively lower compared with the path coefficients of demand and producer services on manufacturing structure upgrade.

Comprehensively, producer services have significant impact on manufacturing structure upgrade by direct and indirect paths. The direct effect coefficient is 0.41, the indirect effect coefficient through demand is 0.36 (0.78*0.46), and through technological progress is 0.14 (0.75*0.19).

4. Conclusions

Structural equation model is constructed in this paper to do the empirical analysis based on panel data of 16 provinces and cities in China during 2000 and 2010, with the result showing that, producer services not only have straight promoting effect on manufacturing structure upgrade, also have indirect promoting effect on manufacturing structure upgrade by pushing demand and technological progress. The indirect positive effect through demand is much more than through technological progress. This is really helpful for a manufacturing power with services development lagging behind like China, especially when domestic and foreign economic situation has being undergone a huge change currently.

Two main revelations can be obtained from empirical results above: firstly, to provide more support for producer services, perfect policies and regulations, construct a complete and healthy market, so as to promote producer services
development; secondly, to vigorously develop technological producer services and complete demand structure, promote technological progress and demand development, so as to optimize the path of producer services promoting manufacturing structure upgrade. It not only can effectively compensate for the assault of China's manufacturing industry development causing by the disappearance of "resource dividend" and "demographic dividend", but also can form a benign interactive development situation for producer services and manufacturing structure upgrade.

5. Acknowledgement

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Reference


Areas of Powers and Duties in Turkey Jam Metropolitan Municipalities Units on the Internal Audit Review

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Abstract

Subject of this study, we aimed to assess in terms of the functions of internal audit units of the metropolitan municipalities in Turkey. Descriptive and historical research methods were used in the study. In this context, information collected by scanning the printed and written documents in electronic form, the findings of the quantitative analysis techniques and processed. The purpose of this study, the internal audit units of metropolitan municipalities, in terms of the functions of the audit brought to the field on the basis of new insights and practices to make a comparative analysis. Within this context, the control unit of a classic Metropolitan Municipalities in Turkey “Audit Committees” to the transformation of public administration, as well as metropolitan municipalities within the framework of the European Union harmonization process of the “internal audit” konumlandışılarmın organization units side by side, a possible "task space jam" and "confusion" questioned whether or not the road.

Keywords: Metropolitan Municipality, audit, internal audit, municipal inspection board

1. Introduction

Public administration is in an effort to make sense of past, present or herself in a constant quest. That is why the public administration reform is a case of maintaining the viability of each period. Starting from the 1980s, especially the new management approaches in public administration, public administration and management restructuring have affected almost every aspect has become almost a necessity. In this context, the structural and organizational change and transformation of public administration is continuing.

Public administration in the position of a part of the local authorities affected by the process of change and transformation. Trends in the world of globalization on the one hand, while on the other hand the importance of decentralization is increasing with each passing day. Which is the subject of the study of metropolitan municipalities and responsibilities of the role played in this process by the increasing importance with each passing day.

In this study, the process of change and transformation of public administration emerged as a reflection of the metropolitan municipalities, which is considered the classic sense of the internal audit unit and the inspection boards and municipalities have been analyzed. In this context, the internal audit units of the metropolitan municipalities inspection boards or jam in a conflict with each other, subject to the limits of jurisdiction order to determine the mold was left, and what measures can be taken against a possible conflict issues are discussed. The study results and recommendations of an evaluation to replace the terminated.

2. Turkey in General Audit Metropolitan Municipalities

Purpose of public administration, provision of goods and services is carried out on the basis of the public interest. But the control of the legal framework, whether performing service delivery possible. In this respect the activities of each administrative unit, the legal framework as well as the municipal metropolitan municipalities audited. Controls the metropolitan municipalities, the municipal councils and the inspection carried out by the internal audit units. Below before
reviewing the monitoring control units drawn a general conceptual framework, the issue is important in terms of
preparation.

2.1 Audit and Metropolitan Municipalities in Turkey

Control, measuring the availability of its intended purpose due to the nature and objectives of management science be
considered as a complementary element.

In this context, control, management, pioneering the development of us managed to help, to increase efficiency
and productivity (Eren, 2006: 256) can be defined as a means of fulfilling the function. The other approach, the audit, "the
purpose and methods in the host, usually using the results of these errors and irregularities giving rise to them and those
responsible for the emergence of the audited units absolute minimum the risk of error and fraud, the production of goods
and services more effective, efficient and economical methods developing alternatives for the implementation of a better
way to demonstrate to management that aims to lead the action "(Köse, 1999: 63) is defined as.

Conceptually, the audit, inspection, inspection, audit and control them with the different aspects of concepts such
as carrying similar properties in question (Tortop et al., 2010: 113; Kocak and Aktas, 2011: 70). Audit controls only, not
intended. At the same time to assist management, predicting, aims to guide it embodies. Therefore, the concept of audit,
inspection, overhaul or control concepts can be said to have a more comprehensive character.

First of all phases of the audit process, and there is a certain. Planning is done primarily in order to determine the
audit objectives and targets. Secondly, the activity was evaluated by monitoring and reporting. Finally, the current
situation should be compared with the situation if you have to get the path of error and correction of deficiencies (Tortop

An audit can be classified in different ways from different angles. In general, control can be classified as internal
and external management. Accordingly, management, internal audit types (internal audit), hierarchical supervision and
inspection of administrative control, can be classified as internal auditor. Management types of non-audit (external audit),
the political control of judicial review, the Ombudsman control, pressure groups and the public through the audit, the
international audit, control types, such as effectiveness and efficiency control include (Tortop et al. 2010: 125-144).

Management control is inevitable everywhere. An unsupervised administration, impossible to achieve the expected
goals. Local government units, as part of the public administration system with an effective audit can be more efficient
and effective delivery of public goods and services. With this understanding, this study examined the comparative
metropolitan municipalities functionality of the control units and control units, the determination of whether or not any
hustle and bustle of the task studied.

Metropolitan municipalities control system in Turkey, especially in the 2000s as restructured. The contribution of
the European Union harmonization process was enacted in 2003 and 5018 on Public Financial Management and Control
Law has undergone a fundamental change control mechanisms. Law control, "transparent and accountable, participatory
and collaborative, open to public inspection, multi-year budgeting, strategic planning and performance-based
management, result and goal-oriented, mainly local and decentralized management, the management system focused on
adding value" is based on an understanding it is mentioned that (Sarı, 2009: 25).

The restructuring of local governments, 54-58 Municipal Law No. 5393 issued in 2005. Articles are in control of the
municipalities. Accordingly, municipalities, internal and external audit done of the control law, compliance, performance
and financial audit covered the financial transactions other than the control of the administrative proceedings shall be
made by the Ministry of the Interior. Act as the purpose of the audit, "to help prevent errors, to guide the development of
management and control systems, process and results of the service in accordance with pre-determined goals and
objectives of the legislation, according to a measure of performance and quality standards to analyze, compare, measure,
evaluate, and their results raporlandiraracak announce concerned," he stated. Metropolitan Municipality Law No. 5216 on
the audit are not included in a separate regulation. In the study, the Law No. 5393 on matters relating to supervision, the
Law No. 5018 and related regulations (Internal Audit Charter, the Audit Board Directive) was adopted as the legal basis.

Metropolitan municipalities control, a distinction may be subject to triple by subject (Kurtuluş transfers calmly, 2012:
236-265). The city council made by the audit, internal and external audit, control of the central government can be
counted as guardianship. Administrative control units of the axis of the study; inspection committees and internal audit
units creates a conflict between the powers and duties likely, the other control mechanisms are outside the scope of this
study.
3. Administrative Control Unit Two Separate Side by Side Positioning of the Metropolitan Municipalities Turkey: Inspection Unit Internal Audit Committees and Presidents

The one hand, the European Union within the framework of the harmonization process in Turkey "internal auditor" unit, on the other hand oluşturulmuşken lağvedilmemiş more classic control units sharing of powers and duties of these units has been adopted. Internal Audit committees and internal audit units of the metropolitan municipalities and place of the internal control system functionality is important for a qualified service delivery. These units perform similar functions in the same institution to complications of their powers and duties may from time to time.

3.1 The Board of Inspectors

Inspection is an important control unit of the boards of the municipalities. Inspection boards of municipalities, provincial, district and metropolitan municipalities performs inspection services (Hacıcaferoğlu, 2010:7).

More inspections carried out in the form of legality, inspector, chief inspector carried out by the Chairman of the Audit Board (Doğan, 1996: 27). As stated above, in compliance with the law currently only define control would be wrong. In addition, to guide, minimizing errors, effectiveness, and efficiency improvement, such as fitness for purpose are also functions to escape.

Regulations for municipalities in the big city inspection boards, this unit is the purpose, scope, tasks, etc.. is located. Inspection of all the municipalities of the review board regulations in the big city, the page and the time limitation of this study, due to lack of unlikely, here is an example of the Istanbul Metropolitan Municipality in terms of the Regulation on the Audit Committee investigation was appropriate.

Metropolitan Municipality, Audit, Regulation (Reg.) by (www.ibb.gov.tr, Accessed: 02/10/2013), among those who have the title of superintendent of a President, consists of enough inspectors and assistant inspectors. The Board, directly depends on the President and inspectors, inspection, audit, investigation, inspection and investigation functions, into which the name of the President (Reg. Md.5-6).

Inspection Board and the tasks performed on-site inspectors are as follows:

According to the Law on Public Financial Management and Control 5018 within the jurisdiction of the internal auditors, excluding jobs in the metropolitan municipal organization, management and control of the business and all kinds of activities and departments under the people, processes, activities related to inspection, audit, inspection and investigation to conduct their business,

- "Business and procedures to supervise the legality and appropriateness of pre-determined criteria,"
- "to make a private inspection and control",
- "to establish a continuous monitoring and control mechanism",
- "of inspectors to carry out studies to provide professional development",
- "To perform other duties provided in accordance with the provisions of the legislation,"
- "inspection, examine and evaluate the reports and observations to the"
- "application and follow corporate policies, legislation is incompatible with service requirements and transparency; unnecessary bureaucratic procedures and records; withdrawal of service with the requirements of simplification and make recommendations for the purpose of enforcement of the new ones,"
- "auditors examining the reports and writings of view, the idea of the presidential address the deficiencies determined in terms of substantive and procedural, except for simple or factual errors, notify in writing"
- "Inspection and control their work, and deficiencies in the wrong, do not comply with the legislation works by detecting, correcting them, and the completion of the works to be better than walking and greater efficiency in the work of the officers as it deems necessary for the measures considered for those subjected to inspection and notify the Chairman of the Board together with the answers",
- "in the country and abroad to conduct research on issues concerning President, appointed the commission, courses, conferences, seminars, symposia and meetings, and the results of the Presidency. Participate in the preparation and implementation of in-service training programs."
- "grow up under the auspices of the inspector to provide aids",
- "law, rules and regulations issued pursuant to the provisions to do other tasks,"
- "Investigators are responsible for their studies and prepare reports under the current legislation."

Regulation 57 Performance are given in the article. Accordingly, "the end of the annual inspection programs, inspection and control of the tasks carried out during the program, in relation to better realize the objectives of the Presidency, the development of the employees and the municipal government, the current management and control
systems, to provide guidance to become a reliable and consistent; services, processes and legislation, the results of a pre-determined goals and objectives, performance criteria and quality standards applied to the public sector to objectively analyze, compare, measure, and evaluate evidence-based technique for reporting the results to be submitted to the President in accordance with the Board shall be submitted to the Chair "(Reg. Md.57).

Regulation 50-53. principles and procedures of construction materials are included in the inspection. According to investigators, the Metropolitan Council with the organization and its affiliates under the management and supervision of the Presidency individuals, units and organizations denetleyebileceklerdir all kinds of services and activities. In addition, investigators on staff to issue the report on the inspection and investigation. Again, regulation, inspection book and file be kept, and four copies of the results of the inspection of a sample prepared as a criticism of the inspection authority of the unit, two samples given to the Presidency of the Board, will remain an example given in the müfettişte conducting the investigation. Following the results of the inspection and be held responsible for the fulfillment of their superiors in the unit specified.

Which is important in today's understanding of the management performance audit and control function, except that it is loaded, to guide the management, performance criteria, audit, compliance audit functions such as pre-determined objectives, auditors, inspectors and other institutions working in the fulfillment by the said expected. understood.

3.2 Head of Internal Audit Unit

Internal audit, "an organization's business processes in order to improve and add value to these processes, an independent, objective assurance and consulting activity" is defined as (Değirmencioğlu, 2011: 36). From this definition, control today, said the administration is perceived as a consulting service provided. In this respect, therefore, the internal audit system of internal control of an organization in achieving the purpose of achieving better management emerges as an important tool in guiding.

The location of the control systems of the municipalities in the metropolitan area with the Law No. 5018, the internal audit, continues to operate under the umbrella of the Internal Audit Unit. Law No. 63 of 5018 Pursuant to the internal audit, "the resources to add value and improve the work of the public administration, economy, effectiveness and efficiency are managed according to the principles and guidance in order to assess the independent, objective assurance and consulting activity. These activities are the management and control structures, risk management and financial operations, management, and control processes to evaluate and improve the effectiveness of systematic, continuous and disciplined approach and performed in accordance with generally accepted standards. " Continuation of the same substance, internal audit done by the internal auditors, public administrations, taking into account the structure and the number of personnel directly obtaining the opinion of the Internal Audit Coordination Board will be established in the top of the head of internal audit units are connected to the master.

Law No. 64 of 5018 Article internal auditors tasks listed in the following way:
- "on the basis of objective risk analysis to assess the structure of the management and control of public authorities",
- "ensure the effective, economic and efficient use of views and making recommendations,"
- "to ex-post legal compliance audit",
- "the administration expenditures, financial decisions and transactions with the goals and policies, development plans, programs, and evaluate the conformity of strategic plans and performance programs",
- "financial management and control of the system to control processes and make recommendations on these issues,"
- "within the framework of the audit results to make suggestions for improvements"
- "Based on the findings during the inspection or investigation encountered a situation which requires notifying the highest official of the administration concerned."

As can be seen, the internal auditors, "advising", "making legal compliance audit", "do not check compliance with the objectives", "objective risk analysis and controls-based audit work" for the control of certain basic tasks, such as the institution in question. In this context, the following point must mention in particular that there is no jurisdiction to investigate the internal auditor. In case of any situation, but the institution will require the investigation of this issue of the internal auditor is obliged to inform the highest authority.

The powers and duties assigned to other areas of the internal auditors, the legal source of "Regulation on Principles and Procedures of Work of Internal Auditors" is. These regulations metropolitan municipalities located within the internal auditors, the task organizes fields.
Law No. 65 of 5018 pursuant to Regulation issued in 2006, the number of internal auditors, public administrations, qualifications and appointment, working principles and procedures of certification and grading, and regulates other matters (Bilge and Kiracı, 2010:103).

According to the Regulation, as the scope of the internal audit activity, including public administrations and local units of overseas operations and activities within the scope of risk-based audit plans and programs, systematic, continuous and disciplined approach to the audit in accordance with auditing standards consist (Reg. Art. 6). Internal Audit made an edit area as the Regulation (Reg. art 7):

- “Public administration and effectiveness of the investigation and evaluation of the adequacy of the internal control system”,
- “recommendations for the development of risk management, risk assessment and risk management methods and efficiency of the examination of the application”,
- “ensure the effective, economic and efficient use of performance assessments aimed at providing and advising governments”,
- “legislation, the activities and operations of the administration, supervision of compliance with the goals and policies”,
- “accounting records and financial statements, the accuracy and reliability of the examination”,
- “publicly disclosed information produced all kinds of reports, statistics and financial statements, the accuracy, reliability and timeliness”
- “Electronic information systems and e-government services cover the fields of management and review of the reliability of the system.”

According to the regulation, internal audit, compliance audit, system audit, performance audit, financial audit and information technology audit to be composed of five sub-control type (Reg. Md.8)

Regulation of internal auditors in the third chapter of the duties, powers and responsibilities are included. Necessary to study this issue is addressed within the scope of the metropolitan municipalities in assessing the functionality of the internal audit units and audit committees is important.

13th item, the internal audit units and the number of personnel on the basis of the structure of public administration, the approval of the Internal Audit Coordination Board is installed directly onto the head of administration depending on. If you have more than 5 number of internal auditors to the Board must be notified of this. 16 of the Internal Auditor of the Edited article. Accordingly, all kinds of information on the subject of the audit, certificates and documents, asking for help employees get the audited entity, to request information in writing and orally, as required by audit activity, vehicles, equipment and other facilities to exploit, control, preventive attitudes, behaviors and actions of public administration reporting, internal among the powers of the auditor. Are obliged to comply with some of the responsibilities of internal auditors in performing their duties. Legislation to comply with the auditing standards and ethical rules, authority and capacity to receive in excess of the internal audit unit, to serve impartially and independently in the presence of blocking situations, you do not notice the internal audit unit, audit reports and evaluations, the objective being to withstand the evidence obtained during the audit protection of the confidentiality of information, are listed as the responsibilities of internal auditors.

4. The Result: A Functional Perspective of Administrative Control Unit Task Space Jam in two separate

Located within a public institution within the institution's own internal audit activity is basically continuing presence of two different control unit, a jam from time to time in terms of the responsibilities, powers and duties can lead to confusion.

Metropolitan municipalities to control the separation of internal and external audit is determined by law. As noted earlier, the Court and the Ministry of Internal Affairs of external audit, internal audit carried out by the internal auditors. So, how do we explain the existence of metropolitan municipalities inspection boards?

Two separate administrative duties and powers of audit remain faced with a conflict in terms of the internal audit units and audit committees to be side by side is concerned (Örenay and Süzen, 2011: 30). Metropolitan municipalities that comprises two units in the field of the supervisory jurisdiction of a local government unit pitfalls of public kurumlarınandandır jam.

Internal Audit committees and internal audit units of the task areas of law that there is a conflict with the task of an evaluation of the internal auditor of the Law No. 5018, the emphasis is on two fundamental issue. Accordingly, the internal auditor’s ex post audits on legal compliance and public institutions to give advice and guidance service stated that a mandate drawn border. Inspection tasks kurularının inspection and investigation is on the business and operations of the municipal audit committees should be evaluated in this context is defined (Üzmez, 2010: 21). On the other hand,
the internal audit activity to inspection under the provisions of the applicable laws as well as regulations, "task conflict" are taken into consideration, or words "task space jam" There are also opinions that will lead to (Yaman, 2011:27).

Metropolitan municipalities in Turkey and the European Union integration process inspection boards and heads of internal audit unit was created within the framework of the audit function is carried out, both in terms of the responsibilities of the unit can be said that the functionality of the potential to cause the problem. Two units of the task areas in terms of supporting the argument that the differences, the similarities / interference / jamming areas can be listed as follows:

First it should be stated that, the metropolitan municipality marshalling duties of inspectors, "except for work within the purview of Internal Auditors", an expression of the form given. This statement audit metropolitan municipalities in terms of special functions of internal auditors, investigators show that the general duty. So, they are lined with legislative duties of internal auditors, the internal auditors other than the fulfillment of tasks means. However, as shown above, also served as investigators were encouraged to count. In contrast, the internal auditors, inspectors, inspections in which the tasks are carried out by counting arrangement şeklindedi separation of powers and duties between the two units belirleyebilirdir more clearly.

In other respects the two units in the overall evaluation of the tasks enumerated in legislation, administrative actions and operations both on the audit to the audit authority, the legality of both units can do, advising both sides of the unit, as the presence of the functions of such considerations to guide, These two control unit in the form of a sequel may decide from time to time on the same subject. Therefore, the existence of metropolitan municipalities two separate administrative control unit, which is expressed on the basis of similarities, the task can be said to contain each of these areas, the risk of a jam.

In order to avoid the possible compression of a mandate as possible solutions, as stated above, the internal auditors' mandates sorted and their fulfillment in the form of outside auditors, an arrangement of controls. Thus, on the one hand while avoiding duplication of tasks between these two units, on the other hand, the legislation in its current form or in a different way, the two units, which of the possible unforeseen issues that are employed will have gained clarity.

Both as an extension of changes and transformations in the world and the European Union within the framework of Compliance Programs rapid changes and transformations in Turkish public administration is concerned. However, this process of change and transformation of public administration restructuring, implementation of a new process when performing a task that is usually protected from the old classic building be reached from the implementation of open space. This road applications, from time to time between the old and the new structure also can be converted into a struggle for authority and duties. However, in this case you need to move to a new structure disbanding the old structure put in place structures to the new powers and duties of such conflict or can avoid jams.

Metropolitan municipalities were created in connection with the Internal Auditor of the European Union harmonization process inspection boards additions to the system instead of maintaining assets of the internal audit unit directly converted to inspection boards, this is in line with the adaptation process can be considered as a different approach to the allocation of some of the new units.

Change and transformation of public administration legislation starts first. Therefore, a rapid process of reform of public administration in the 2000s, after the introduction of Turkish metropolitan municipalities as a result of change and transformation in the audit system is important to examine the reflections of the legislation. However, to put the changes occurring or likely to put in practice the results always meet the change is expected. Therefore, you should analyze concrete cases in practice, theory and practice, a transformation designed to be parallel to each other.

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A Comparative Analysis of the Latin American and Russian Nationalist Media Discourse

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Abstract

The author reviews how contemporary parties in Latin America and Russia use the print media for realizing their political strategies. During the research, conducted by applying the methods of the discourse analysis, were revealed some language tools which express the traditional nationalist discourse opposition - "us vs. them". Besides were identified techniques of political communication being embraced by politicians in the creating of the image of the enemy and in the reinforcement of fear and misunderstanding. For example, the ones that make the United States a common enemy of Latin America and Russia, or that explain the need to formulate a clear-cut differences between Russia and the Western European countries.

Relations between the neighbors are not always friendly. In turn, the countries located at a considerable distance from each other, sometimes appear to be more similar than the neighboring countries. In a global world dramatically increases the interdependence of nations trying to find reliable allies and partners.

In the late 20th and early 21st centuries re-escalated the struggle between liberalism and communism. It turned out, that the current politics until now is a conflict of different countries' private interests. These contradictions may be resolved only in case of the humanity's consolidation. However, this universal equality seems to be unattainable even in the democratic countries.

The growth of such an inequality has led to rejection of the liberal consensus, that didn't produce the anticipated results. Perhaps the easiest way out of this difficult situation was using of the nationalist discourse. If we assume that the "liberal consensus" has already been achieved in developed countries, it is easily supposed why nationalism seems to be more universal than any other ideology.

And if in old days nationalism was just a sacred idea, at present time, it was successfully transformed into a popular and efficient political technology. With the help of the nationalist media discourse contemporary parties in Latin America and Russia may hold their positions and consolidate their power.

Historically, Russia and the relatively developed countries of Latin America have always been part of the world capitalism's second tier. Despite the prerequisites of independent origin of capitalism existence, modernization proceeded here too unevenly.

General globalization of political and economic elites didn't place high emphasis on the fact that modern people continue to stay within national states limits, the space of the current national policy. Life within this framework is more convenient. So some people think that it is safer to be part of a particular nation and not a part of the international community. For the reasons given above despite the continuous formation of new independent states, the nation-state remains the most effective political institution, that brings together a wide variety of social groups.

Nationalism discourse's popularity in Russia and the countries of Latin America is also related to frustration in the global world of justice superimposed on discrediting its historical myth.

By means of the nationalist media discourse local contemporary ruling parties also trying to be legitimized through the creation of a national myth, without which a nation simply cannot exist.

In addition, some leaders of the described countries (Putin, Zhirinovsky, the late Chavez, Morales, etc.) often use the nationalist discourse while interacting with the opposition. Addressing themselves to the represented in their countries leaders of protest movements, they demand of them to forget or postpone the existing conflicts and contradictions that could weaken the nation in the face of external and internal enemies. For instance, in May 2011 while on the subject of the opposition forces, which are financed from abroad, "Putin quoted Ka'a's words, with a wry smile on his lips: 'Come to me, Bandar-log!' It was as if he really believed he had the rioting 'monkeys' fully under his control"(Roxburgh, 2013).

Finally, using the nationalist discourse ruling elite aims to discredit the nationalist opposition, accusing it of extremism and separatism. For example, on the threshold of Putin's anniversary Russian print media ("Komsomolskaya Pravda", "Argumenty i Fakty", "Russkiy Reportior" etc.) were actively discussing the following President's statement: "One must not undermine our moral principles, destroy the country. What will remain then?"
Citizens of the described countries often perceive globalization processes almost equally. On the one hand, Russians and Latin Americans are aware of the impossibility of separate existence and say nothing against the further integration with Western Europe and USA. But on the other hand, they do not believe that the interaction with the West would bring them benefits instead of the harm (Gariboldi T. La política estadounidense hacia América Latina en la post-Guerra Fria. - Mode of access: http://www.monografias.com/trabajos/politiusa/politiusa.shtml).

These states of public opinion are used by representatives of local nationalist groups who declare that the signing of cost-effective international agreements, foreign investment, etc. - are the part of a long-term and sophisticated global financial elites program required to occupy the rich in minerals countries.

Since the fruits of globalization were not only the formation of new economic relations, but also the social disintegration, which was also associated with the vulnerability and dependence of national markets, we cannot be surprised that the nationalism is prospering in many developing countries. Some researchers (Жирнов & Шереметьев, 2008; Kacowicz, 2008; González Manrique, 2006.) even suggest that the success of the political leaders who adhere to a moderate or radical nationalist views, are a consequence of globalization.

In modern Russian society issues of nationalism are one of the most controversial. A serious study of them is impossible without a trustworthy terminological apparatus, the lack of which often takes the discussion of the scope of science in the field of political demagoguery (Миллер, 1997). In recent years there have been many articles on this topic. Some of them are devoted to the nationalism in general. The others - to the Russian, European or Latin American nationalism in particular. Russian scientist A. Panchenko (2012) supposes that the growing number of these studies can be attributed to the collapse of the Soviet Union, on account of many foreign writings on nationalism in general have become available in Russia.

Along with increased scientific interest in nationalism there's also intensified interest in the specific nationalist discourse and its common markers.

One of the most characteristic properties of the use of the term discourse is the lack of having a single meaning interpretation. Discourse is the object of interdisciplinary research (Михалёва, 2009). On the one part the term discourse is often understood as a speech practice. And on the other part, discourse is a complex phenomenon associated with a variety of extra-linguistic circumstances and speaker's objectives (Titscher, Meyer, Wodak, Vetter, 2000; van Dijk, 1989; Harris, 1952).

Of course, researchers of the nationalist discourse are not interested in discourse in general. They study its specific form that has the distinctive features and the specific signs.

Professor Elena Sheigal from the Volgograd State Pedagogical University in 2000 wrote that the distinctive markers of the traditional nationalist discourse opposition "us vs. them"/"friend or foe", that could be found in the Russian print media are the following:

- deictic signs containing a distancing component. For example: and others of that ilk, these, there, from overseas etc.;
- signs of derogation of the concernment. For example: any, all sorts of, a kind of etc.
- signs of distrust of the opponent. For example: ostensibly, so-called, notorious etc.
- In the same book she mentions the following markers of the "friend" (Sheigal, 2000):
  - lexemes that represent the unity and compatibility. For example: together, all of us, united, union, association etc.
  - lexical units with the "I'm a friend" connotation. For example: friends, comrades, brothers and sisters, fellow countrymen, compatriot etc.

The method of discourse analysis used in our study allowed us to reveal the mentioned special language tools which express the traditional nationalist discourse opposition "us vs. them" in Russia and in Latin America and review how the markers of autarkic nationalism are used in their print media.

The critical discourse analysis includes a specific, linguistic, textual analysis. This fact distinguishes it from all the other methods that focus mainly on the rhetorical analysis. Norman Fairclough from the Lancaster University identifies the following text analysis components:

- the text (speech, writing, visual image, or a combination);
- discursive practices;
- and a social practice (the social context etc.).
Using this scheme as a base, we supplement it with some components. For example, except text's external characteristics, we will also consider its semantic constructs. To achieve this we will use the discursive strategies typology proposed by Oxana Karpenko.

Since the beginning of new millennium in Russia and in the Latin American countries, there is no political force that does not use some of the nationalist concepts. Anatoly Chubais's "liberal empire", "non-systemic" opposition's "liberal patriotism, patriotic chorus of the United Russia and A Just Russia, the United Socialist Party of Venezuela Bolivarian Dream and Argentina's fight for the Falklands require the use of the nationalist discourse.

Of course, some nationalistic elements don't make party nationalistic. Therefore, the majority of Russian and Latin American parties are definitely not nationalist. Quite the reverse, a negative attitude towards nationalism is a cultural dogma and ethical canon not only in Russia but also in Latin America. Therefore, the print media in Russia and in Latin America are trying to clearly differentiate nationalism and extremism, racism and patriotism.

That's why Russian and Latin American leaders prefer to be called patriots, not nationalists. In particular, Evo Morales has repeatedly made a declaration of love for Bolivia, and recently called to expel from the national football team all the players who do not play in the national championship. Although we cannot forget that Putin, quite the contrary, once publicly called himself and Medvedev "Russian nationalists in the finest sense of the word" (Сопоеи & Сопоеи, 2010). Thus we can say that the rise of patriotism in conjunction with the social requirements for order and justice has caused an unprecedented phenomenon of local political leaders along-term popularity.

In the Russian government daily newspaper (Rossiyskaya Gazeta) prevails balanced approach of the nationalism's understanding: the newspaper discriminates the concepts of nationalism, chauvinism and fascism*, and tries to appear objective and impartial.

Some Russian and Latin American journalists focus on the "problems of native population". They generate and bring to a wider audience an ethnic interpretation of many conflicts. Thus they form the social perception of any conflict involving different ethnos people as ethnic (Верховский, 2011). In Russia they mainly write about wild and warlike Caucasians. And in Latin America about the cho's fight for justice and human rights.

This nationalism, also called indigenismo, occupies the most privileged position in countries with the highest indigenous population level. For example, in Ecuador, Peru, and, of course, Bolivia where the current President Evo Morales (an Indian-kokalerio) recently became the worst enemy of Bolivia's native population. This happened because the president allowed the construction of a new highway "right through the heart of Indian country". Of course, this confrontation could not pass unnoticed by the Latin American printed media.

Another feature that brings Russian and Latin American patriotic discourses together is the special role played in these countries by religion. Medvedev attends all important divine services and can be named more Orthodox than Vladimir Putin (Верховский, 2012). The Catholic Latin American nationalism is designed to point out the religious unity of Latin Americans who live all around the world. Moreover, this community is also related to the supranational pride, with a commitment to traditional ideals and true, and not "tainted" by the Protestantism and atheism of Catholic church.

The Global Financial Crisis of 2007-2008 also contributed to strengthening of populism and nationalism. The total collapse of large financial institutions, the down trend of business, fall in exports and imports, increased debt burden etc. has allowed the nationalists argue that the close economic cooperation is useless and dangerous.

Owing to an above-listed factors in Russia and in the Latin American countries returned nationalism, which is called the autarkic. This means that some political leaders have begun to talk about the advantages of such an economic system "in which a country produces all the things it needs as opposed to buying them from another country" (LDOICE, 2000).

It being known that the current Russian government sometimes encourages its citizens to buy goods that are produced by local companies, regardless of whether they are high-quality. That's why our President Vladimir Putin personally endorses the new Lada Kalina and informs "Komsomolskaya Pravda" readers that he prefers milk products "Prostokvashino" just because they are made in Russia.

Despite the fact that today complete economic autarkies are rare, in most countries you can find the advertising slogans, which contain the same information message - our goods give you the best fit as you're a citizen of our country or a resident of our city. For example: "DKNY jeans - the official uniform of New York", "I am Canadian" (Molson Canadian beer), "Lyubyatovo - from the heart of Russian fields", "Lada Priora. In all the country's roads", "Costa Rica: no artificial ingredients", "In Mexico and all around the world, beer is Corona" etc.

Perhaps the most aggressive type of contemporary Latin American nationalism is the nationalism directed against the United States of America. It can be found everywhere: in the local tabloids (La Jornada, El Espectador, Clarín etc.) and in the authoritative newspapers (El Comercio, El Universal, La Nación etc.). Its markers are extremely diverse and creative. For example, the use of abusive nominations such as "Yankees" and "gringos", and also the utilization of visual
communication - caricatures, collages and so on. Here we can mention the Ecuador's President Rafael Correa visit, in which he said that Mahmoud Ahmadinejad can be called his friend just because he's an implacable enemy of the United States. Certainly, these words were discussed very actively not only in Ecuador, but also in the rest of Latin America.

The process of spread the nationalist ideas in Russia and Latin America is quite intense, and the influence of the nationalist discourse markers on the public opinion is quite substantial. Local people want to believe that they deserve more, that they are doing everything possible to achieve this, that a happy and prosperous future didn't come because of corrupt politicians, bad management and even better - alien and hostile external forces.

The construction of images of the "Other" and "Himself" is a form of the political myth. Constructs that are present in the nationalistic discourse have all the features of political myth. They are all-sufficient (Wartman, 2006) because the information contained in the myth answers most of the questions of the society, traditional (Wartman, 2006) and almost invariable. They are often used to justify the innovations offered by the new political elite. Of course they are also stereotyped and historical in the sense that they can easily create new stereotypes and interpret the actual historical events in a certain way (Gellner, 2006). Mentioned characteristics transform political myth and its components into one of the basic values of society.

In general, the made media publications analysis shows that the "negative" and "positive" Russian and Latin American nationalist discourses do not contradict, but rather complement each other. As a consequence, the combination of negative discourse (nationalism = fascism) and positive discourse (nationalism = love for country) implicitly affirms: "If you love Russia, Colombia, Bolivia, Brazil etc. you have to do something for your country".

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The Piercing of the Corporate Veil Doctrine: A Comparative Approach to the Piercing of the Corporate Veil in European Union and Albania

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Abstract

Present research paper is focused on the piercing of the corporate veil in the European Union (EU) company law (CL) and Albanian CL. Considering the importance of corporate activity in our days, it is of a specific significance to discuss the applied standards whether the corporate veil should be pierced or not. The corporate veil doctrine presents one of the issues most studied in CL; the doctrine itself is closely related to two legal concepts such as legal personality of the corporate and limited liability of the people behind the corporate. Although limited liability of the corporate is defined by the CL and even in the statute of the corporate, it is not uncontroversial. Along with that, courts examine different factors and conditions while decide to pierce the corporate veil. Company term is given in article (art.) 54 of the Treaty on the Functioning of the European Union (TFEU), as an art. which refers the constitution of the companies under specified legislation. In addition, the corporate is one of the most common business organisation that provides for its shareholders limited liability to the amount they have subscribed. Besides the theories and attempts form a comprehensive framework for piercing the corporate veil, the decision is up to the court's discretion. The interpretation will be mainly based on the EU primary and secondary law, the doctrine for piercing the corporate veil, case laws and different articles; additionally one has to bear in mind that despite the metaphoric meaning, the veil dividing the corporate and people behind it may be set aside for the protection of higher interests.

Keywords: piercing the corporate veil, company law, doctrine, shareholders' liability, legal personality, primary and secondary law,

1. Introduction

This paper consists of five chapters. Subject of the first chapter is a brief summary of the concept of the legal personality and explains the definition of company and corporate. While considering the significance of this legal concept, the debate for the accepted separate legal personality of the corporate and the presumption of the entity as an artificial person and the arguments for piercing the veil take a particular importance. The second chapter clarifies the piercing of the corporate veil in the EU, by considering the procedure as a tool to remedy the abuse of shareholders or managers with the corporate. Also, for comparison reasons there are mentioned judicial practices of some EU states in the third chapter, followed by the piercing of the veil doctrine in Albania in the fourth chapter. The last chapter gives the objectives of the corporate veil doctrine, such as punishment, deterrence, compensation and avoiding unjust enrichment, used at the same time as courts' arguments to explain the decision to pierce or not the corporate veil.

Based on this approach, present paper will show a critical review of the piercing of the corporate veil doctrine.

2. Company’s Legal Personality

The core idea of the CL is the legal personality of the company. In a wide legal meaning the company is an entity incorporated under the respective company act of a state. The company or other legal forms are mechanisms which carry on many types of activity; the corporate form is the legal form available across so many types and sizes of activity. The simplest explanation to understand the concept of the corporate personality is that the corporation is a legal entity distinct from its members. Though, the corporate is considered an artificial person capable of entering into contract as a party, owning property, and being claimant or defendant in legal proceedings. The direction and control of a business
Piercing the Corporate Veil Doctrine

Observing the literature for this doctrine, it is noticed that it is not simple to find the origins of piercing the corporate veil. This is perhaps because the practice has shown that it has never been simple to define if the limited liability of the natural persons in a legal entity is absolute or not.

On my opinion the CL of the state provides the provisions for piercing the corporate veil but there are two important questions to be answered: what the scope of the law is and how the law is applied. Despite the provisions may be a matter of interpretation, the CL has to be clear and reduce the most possible the metaphoric meaning of piercing the corporate veil. Initially, the CL has to clarify explicitly all the duties and responsibilities of shareholders, members and administrators and should state the causal link between the actions and the consequences that bring the piercing of the corporate veil.

Therefore, the analysis of the piercing of the corporate veil concerns two aspects. The first one relates to what is meant by this term and the second one relates to the explanation when the veil is lifted. While studying the doctrine of the separate legal personality of the corporate one of the most typical cases is the Salomon case. Firstly, this case established that a company will be validly incorporated, even if it is only a one person company and secondly, the courts will be reluctant to treat a shareholder as personally liable for the debts of the company by piercing the corporate veil (Davies, L.P., Principles of Modern Company Law, Sweet and Maxwell Ltd, (2008), Eight Edition, 35). Following the statement of the House of Lords, the English Court of Appeal imposed personal liability on Mr. Salomon for the debts of his company. The piercing of the corporate veil expresses the court decision to impose personal liability on the shareholders, director or officers of the corporate. It seems there is a slight veil dividing the corporate from the people behind the corporate.

Piercing the corporate veil is a common law legal doctrine through which shareholders are held accountable by considering the corporate action as it was the shareholders’ own (Matheson, J.H., Why Courts Pierce: An Empirical Study of Piercing the Corporate Veil, Berkeley Business Law Journal, Vol. 7, 2010, 4). The court is the institution which decides whether or not to pierce the corporate veil and it is crucial to understand why courts decide to pierce or not to pierce the corporate veil.

However, in the doctrine of the piercing of the veil corporation there are always different features which should be considered. One question raised is if the piercing happens more often when the owners of the corporate are individuals or the owner is an entity. The close relation between a parent corporation and its subsidiary may lead to the abuse of the administrative or financial control of the first entity over the second one. Another question is if the piercing happens with the same frequency whether the plaintiff is a corporate entity or an individual. Above all, one should bear in mind; the administrative or financial control of the first entity over the second one. Another question is if the piercing happens with the owner is an entity. The close relation between a parent corporation and its subsidiary may lead to the abuse of the

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One of the first judgments in the piercing of the corporate veil doctrine is the case *Belgium v. Spain* on the Barcelona Traction, Light and Power Company, Limited. Barcelona Traction Light and Power Company, Limited was a company incorporated in Canada and controlled light and powers utility in Spain. Most of the shareholders of the company were Belgium nationals. Due to the bankruptcy proceeding in Spain, Belgium brought a claim against Spain on behalf of its nationals. The International Court of Justice (ICJ) provided in its judgment that an act infringing only the company’s rights did not involve responsibility towards the shareholders, even if their interests were affected (*ICJ, Case Belgium v. Spain, the Barcelona Traction, Light and Power Company Limited, Judgment of 05.02.1970, second phase, 77*).

In different circumstances and for different reasons there are distinguished four different attitudes of the courts towards the company (*Ottolenghi, S., From Peeping Behind the Corporate Veil, to Ignoring it Completely, Modern Law Review, Vol. 53, 1990, 340*). The first category is peeping behind the veil; the purpose is only to get information involving the persons who control the company and their inter-relation with regard to the control of the company (*Ibidem*). The second category is penetrating the veil; the purpose is to impose upon the shareholders responsibility for the company’s acts or to establish their direct interest in the company’s assets (*Ibidem, 343*). The third category is the extension of the veil; the purpose is to extent the veil over a group of entities carrying out common activities and to consider them as a single one (*Ibidem, 347*). The fourth category presents the most extreme attitude by ignoring completely the corporate veil (*Ibidem, 351*).

The doctrine of alter ego is commonly used in the United States (US). The doctrine requires the presence of two elements together before piercing the corporate veil. The first element requires the unity of interest and ownership between the corporation and its equitable owner, as a result the company and shareholder do not represent separate personalities. The second element requires that the inequitable result comes as a result of the act of the company owner who hides behind the corporate form (*McCloskey, D. T., Alter Ego: Piercing the Corporate Veil, California Lawyer, 2008, 42*).

4. Piercing the Corporate Veil in European Union

All jurisdictions offer doctrinal tools for holding shareholders liable for the debts of the companies, although, the use of these tools is restricted to controlling or managing shareholders who are found to have abused the corporate form (*Kanda Hideki, Davies Paul, Hopt Klaus J. and Kraakman Reinier, The Anatomy of Corporate Law: A Comparative and Functional Approach, Oxford University Press, Second Edition, 2009, 138*). Piercing the corporate veil is one of these tools. The CL of different states has different approaches on veil-piercing.

For comparative illustrating purposes there will be given cases of several EU states relating to the piercing of the corporate veil. All jurisdictions in EU permit courts to pierce the corporate veil in extreme circumstances, in order to hold controlling shareholders or the controllers of corporate groups personally liable for the company’s debts. Achieving this, the courts do not set aside the corporate form easily (*Bainbridge Stephen M., Abolishing Veil Piercing, Journal of Corporation Law 26, 2001, 479*).

In EU jurisdictions, for instance, the veil piercing is permitted when the controlling shareholders disregard the integrity of their companies by failing to take care of formalities, intermingling personal and company assets with each other, or failing to capitalise the company adequately. Here can be mentioned the case *Adams v. Cape Industries*, 1990 in the United Kingdom (UK). Moreover, veil piercing is as well applied when there is an element of fraud or injustice, as when shareholders have clearly behaved opportunistically (*Kanda Hideki, Davies Paul, Hopt Klaus J. and Kraakman Reinier, The Anatomy of Corporate Law: A Comparative and Functional Approach, Oxford University Press, Second Edition, 2009, 138*). In France, for example, insolvency procedures can be extended to shareholders that disregard the integrity of their companies (*Commercial Code of France, art. 621 paragraph 2, art. 631 paragraph 7, art. 641 paragraph 1*). Therefore, the piercing of the corporate veil can be considered as performing the function to imposing liability on a shareholder.

Piercing of the corporate veil doctrines in the EU are occasionally used to protect creditors of corporate groups. Here, it is applied the same as in US jurisdictions, which follow the doctrine of substantive consolidation which gives the bankruptcy courts the power to put assets and liabilities of two related corporations into the same table (*Mevorach Irit, The Appropriate Treatment of Corporate Groups in Insolvency, European Business Organisation Law Review 8, 2007, 179*). In the jurisprudence has been noted that veil piercing is no more common within groups of companies than it is between companies and controlling shareholders who are individuals (*Thompson Robert B., Piercing the Corporate Veil: An Empirical Study, Cornell Law Review 76, 1991, 1056*). The last mentioned is the same as in the US, where the courts
pierce the veil in more than forty percent of the decided cases to reach the assets of individual shareholders, and in more than thirty-five percent of decided cases to reach the assets of corporate shareholders.

However, it is created a supplementary set of creditor protection standards which cover groups of companies in some jurisdictions in the EU, constituting a special law of corporate groups. The typical case is Germany, which provides the most elaborated example of such a law, attempting to balance the interests of groups as a whole with those of the creditors and minority shareholders of their individual members. It is of interest to mention the situation when the creditors of the subsidiary branch may sue the parent's directors for damages (Emmerich Volker and Hasenback Mathias, Konzemrecht, Eighth Edition, 2005, paragraph 302, paragraph 309, 446-447). In this case, if the parent company has not entered into a contract of domination, it must compensate any subsidiaries that it causes to act contrary to the subsidiary’s own interests (The same approach has been adopted in Italy. For further see: art. 2497, Italian Civil Code, para. 2, under which the controlled firms must disclose the effect of dominance on company management and results).

Apart from their national juridical law and practice in several EU countries relating to piercing the corporate veil, are noticed several cases in EU level to this doctrine. When it comes to pierce the veil of a single company it is easier. The situation becomes delicate when there are several of them, depending on one another. In a recent decision, Akzo Nobel NV v. Commission, the European Court of Justice (ECJ) affirmed a line of previous cases, including Stora Kopparbergs Bergslags AB v. Commission (C-286/98, Stora Kopparbergs AB v. Commission, 2000, E.C.R. I-9925, paragraph 20), which held that complete share ownership establishes a presumption that the parent exercises control over the subsidiary (C-97/08, Azko Nobel NV v. Commission, 2009, E.C.R. I-8237, paragraphs 55, 58-62). According to this, the parent company and the subsidiary companies will be treated as a single economic entity (Ibidem, 60-61). The same stands for the case Michelin v. Commission, where the European Court of First Instance emphasised that the “Community competition law recognises that different companies belonging to the same group form an economic unit and therefore an undertaking.” (C-T203/01 Michelin v. Commission, 2003, E.C.R. II-4071, paragraph 290). The same is echoed in Akzo Nobel NV v. Commission, where the ECJ reaffirmed that a parent and its subsidiary must be understood and considered as a sole economic unit even if in law that economic unit consists of several persons, natural or legal (C-97/08, Azko Nobel NV v. Commission, 2009, E.C.R. I-8237, paragraph 55). The latest decision is in full accordance with the arts. 101 and 102 of TFEU.

Aiming to introduce the corporate veil complex doctrine in different countries, other than EU, is of interest to mention China. Here the notion of piercing the corporate veil did not exist formally prior to 2006. The China CL is unclear about whether the factors stated by its CL are the only factors that courts consider, or alternatively, whether courts may consider additional factors when adjudicating a demand to pierce the corporate veil (Wu Mark, Piercing China’s Corporate Veil: Open Questions from the New Company Law, The Yale Law Journal, 2007, 330). Meanwhile, the Anglo-American system does not require fraud as a necessary precondition, under the French system a plaintiff must show that a corporation committed one of three types of fraud before courts will pierce the corporate veil (Ibidem). German courts and US courts have adopted a list of factors to be taken in consideration to decide on veil-piercing (Ibidem).

However, it is of importance to mention that under EU approach, firstly, a shared ownership establishes rebuttable presumption that the parent exercises control over the subsidiary. The burden then falls on the parent to demonstrate that the subsidiary possesses commercial autonomy. In the UK such presumption does not exist in the single economic unit theory (In Gramophone and Typewriter v. Stanley, the notion that complete share ownership of a subsidiary confers control over the parent was specifically rejected). Secondly, under the EU law, not only does the parent become liable for the subsidiary’s fine, moreover, parent company’s revenue will also be taken into account for the calculation of the fine.’

In other words, the EU approach not only shifts liability, but it actually expands it. As a result, the limited liability of companies weakens, whereas the liability of the group increases.’

5. Piercing of the Corporate Veil in Albania

The piercing of the corporate veil in the Albanian Legislation may be viewed in the framework of several laws. The Stabilisation and Association Agreement (SAA) requires that the Albanian companies, the same as the European companies, be incorporated and perform their activity in equal basis (Stabilisation and Association Agreement between EU Member States and Albania, art.50 paragraphs 1, 3). Despite of the approximation of legislation, the Law “On Entrepreneurs and Companies” attempts to protect the creditors. Thus, this Law (“On Entrepreneurs and Companies”, No. 9901, date 14 April 2008 (amended), art. 16, paragraph 1) has foreseen the exceptions from the principle of the limited liability. Company members and shareholders, administrators and members of the Board of Administration are jointly and severally liable for the company commitments to the extent of their total assets in three cases.
Firstly, they are held responsible if they abuse the company form for illegal purposes; thus it is required the element of fraud on the part of the person who acts or fails to act as required. Secondly, they are held responsible if they treat the company assets as if they were their own assets. Thirdly, they are held responsible if they fail once they know or must have known of the company’s inability to pay his debts and they shall ensure the company has sufficient capital to meet its commitments. In addition, the provision requires the intention to the result. The third cause may be problematic to correlate to a specific situation because the words “must have known” and “sufficient capital” may be subject to a wide interpretation. Also, other provisions of the CL render the administrator liable to compensate the company for any damage caused by the violation of his duties and the standard of diligence (Ibidem, art. 98, paragraph 3 and art. 163 paragraph 3).

The Law “On Bankruptcy” has provided the condition when members or shareholders of the company are held personally liable and punished with a fine (Law “On Bankruptcy”, No. 8901, date 23 May 2002 (amended), art. 16, paragraphs 1, 2). According to these provisions, the members and shareholders of the company shall initiate the bankruptcy procedures since they become aware of the insolvency activity of the company. If they do not initiate the procedure by submitting the request to the court, up to the period of three months after they are aware of the insolvency, they will be personally liable. In this context, one should analyses two sides of the problematic. On one hand, it should be considered if the provision is sufficient to justify the piercing of the corporate veil; on the other hand, the provision should be interpreted to justify only the liability of the members and shareholders of the company for the failure to initiate the bankruptcy procedure.

The Law “On Tax Procedures” states that even after the sale of the seized assets of the company, the tax liability is not fully paid; it is transferred as a liability of the shareholder or administrator (Law “On Tax Procedures” No. 9920, date 19.05.2008 (amended), art. 99). Unlike the Law “On Bankruptcy”, this provision refers to the art. 16 of the Law “On Entrepreneurs and Companies”. What art. 99 of Law “On Tax Procedures” states is valid also in cases when at the end of the liquidation or bankruptcy process, the tax liability of company is still unpaid.

As a result, the principle of piercing the corporate veil is part of the Albanian legislation. The above mentioned laws are enacted or amended in the same period of time which explains a correlated logic between them. These laws refer different subjects as personally responsible for the liabilities of the companies to third parties but no one of them explains explicitly the connection from the actions of the persons to be held liable to the consequences and the extent of liability. Therefore, the court has the discretion to decide when piercing the corporation veil; the court decides the insolvency of the company, the intentional element of the shareholders or members of the company and sets aside the limited liability of the company. Through interpretation, may be concluded that the court has the role to observe and decide when and why the veil should be pierced.

6. Objectives of the Corporate Veil Doctrine

Corporate veil doctrine does not definitely address the question of what its main objective is, because given the variety of corporate veil cases, it is impossible to arrive at a single objective that considers all the cases. However, veil-piercing is an equitable procedure that involves the creation of liability in spite of the contractual and statutory separateness of corporate entities (Cheng Thomas K., Form and Substance of the Doctrine of Piercing the Corporate Veil, Mississippi Law Journal, Volume 80, 2010, 526). Nevertheless, it needs to be emphasized that the corporate veil doctrine does not expand the liability imposed on the corporation. This doctrine just ensures that liability is met to the fullest extent possible (The extent to which liability will be paid in full also depends on the amount of shareholder assets. In a way, every liability is limited in the sense that it is subject to the possibility of the corporate). It merely transposes the liability, to the extent that it is not fulfilled after the corporate assets have been exhausted, from the corporation to the defendant shareholder (Ibidem). Therefore, the doctrine does not change the size of the liability; it concentrates the entire liability on one or a few culpable shareholders.

There are several objectives of the corporate veil-piercing doctrine, however, the most important to mention are punishment, deterrence, compensation and avoiding unjust enrichment. Considering punishment, this can happen in some of the inadequate capitalisation cases identified by the court, when the defendant company is subject to a liability that significantly exceeded the shortfall in capitalisation. The defendant shareholder can be said to have been punished for his failure to capitalise the corporation adequately. According to this objective, though rarely used, it is necessary to punish and deter companies intentionally engaged in reprehensible conducts, and stop them from behaving or conducting their unjust activities in the future. The corporate veil doctrine performs a compensatory function. In particular, it helps to restore the full compensatory effects of the underlying contractual or tort damages that otherwise would have been curtailed by limited liability (Cheng Thomas K., Form and Substance of the Doctrine of Piercing the Corporate Veil,
Mississippi Law Journal, Volume 80, 2010, 530): A company by the operation of the limited liability rule would have confined maximum recovery to the sum of the corporation’s assets. To the extent that the main function of the contractual and tort liabilities is compensatory (Shavell Steven, Foundations of Economic Analysis of Law, Belknap Press of Harvard University Press, 2004, 177-256), the corporate veil doctrine preserves this function.

Deterrence is another possible objective of the veil piercing. According to the doctrine, the types of conduct that qualify as improper conduct include fraud, circumvention of a statutory prohibition, misrepresentations, torts and other cases of wrong or injustice. Examination of the possible deterrent effects of the corporate veil doctrine requires a more nuanced understanding of how liability creates deterrence and how this inducement works in the context of the corporate veil doctrine (Cheng Thomas K., Form and Substance of the Doctrine of Piercing the Corporate Veil, Mississippi Law Journal, Volume 80, 2010, 535). For the law to have a deterrent effect on undesirable conduct, the penalty must be greater than the benefits the defendant obtains from such conduct (Shavell Steven, Foundations of Economic Analysis of Law, Belknap Press of Harvard University Press, 2004, 211). Otherwise, the defendant would be always willing to take a chance with the hope that the conduct will not be detected. The question of how the corporate veil doctrine achieves deterrence needs to be analysed differently for intentional improper conduct and non-intentional or probabilistic improper conduct such as negligence-based torts.

A principal objective of the corporate veil piercing doctrine is the prevention of unjust enrichment and restitution of the shareholders (Sherwin Emily, Restitution and Equity: An Analysis of the Principle of Unjust Enrichment, Global Studies Law, Review 2, 2001, 208-209). This is one of the reasons why the court’s repeated assertion that the corporate veil piercing doctrine is ultimately about preventing injustices. This principle allows the courts to create individualised exceptions to general legal rules and also describes the role of the corporate veil doctrine as a standard based exception to the general rule of limited liability.

7. Conclusion

The doctrine of the piercing of the corporate veil presents one of the most debated subjects in company law since the beginning of the twentieth century. The doctrine involves the choice between the legal certainty and the achievement of justice in several cases. Whenever discussing the piercing of the corporate veil, there are included the legal personality of the corporate and the limited liability of its shareholders. Although, there is no clear definition when the veil should be pierced or not, courts have decided case by case. By taking in consideration a number of factors in regard to the corporate, shareholders, and the pretender, the courts decide if the interest infringed may justify the pierce of the corporate veil.

In my opinion, the procedure to pierce the corporate veil is a matter of interpretation of the court; the court has the discretion to evaluate which is the highest interest that should be protected. Meanwhile the court decision should explain the reasons for setting aside the legal personality and making the shareholders or people behind the corporate responsible for the corporate debts. It cannot be considered easy to break what is legally established and known, such as legal personality and limited liability.

In this regard, the decision to pierce or not the corporate veil is the result of balancing all features of the case. In general there are four objectives of the corporate veil doctrine, such as punishment, deterrence, compensation and avoiding unjust enrichment. These objectives aim to stop company’s misconduct or unfair activities.

In addition, all jurisdictions in EU permit courts to pierce the corporate veil in extreme circumstances, in order to hold controlling shareholders or the controllers of corporate groups personally liable for the company’s debts. The judicial practice throughout the countries in EU has significant similarities with the judicial practices followed in UK and US.

Additionally in Albania the laws refer different subjects as personally responsible for the liabilities of the companies to third parties but no one of them explains explicitly the connection from the actions of the persons to be held liable to the consequences and the extent of liability. Therefore, the court has the discretion to decide when piercing the corporation veil and has the role to observe when and why the veil should be pierced.

All of these practices regarding the piercing of the veil in companies look like as they are becoming more compact and consolidated as well as similar with each other.

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Firm Entry, Survival, and Exit

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Abstract

This paper presents a brief literature survey on firm entry, survival, and exit. What happens to new firms subsequent to entry? How are they able to survive? What determines entry, exit, and survival? Is there any effect of industry-, firm-, or country-related factors on these issues? How does technological development affect survival? Why are new firms’ exit rates so high? Why some firms die, while others survive? These are the basic questions that many economists concern? Decisions of the firms on entry and exit from the market are dependent on a variety of market properties such as competition level, demand, barriers to entry, scale economies, and productivity. There may be a positive correlation between entry and exit rates. Firm size, firm age, technological capability, and capital-intensity are some of very important factors on exit, entry, or survival of a firm. Empirical and theoretical studies, although their number is small, investigate various aspects of these topics. Especially new firms’ entry and exit process, firms’ survival conditions, determinants of entry and exit are a few major research topics. This paper presents the findings of studies conducted by researchers in various countries.

Keywords: Entry, Exit, Survival, Turkey

1. Introduction

This paper presents a brief literature survey on the determinants of firm entry, survival, and exit. While doing this, a literature review model is used, in other words, this paper is constructed by the findings of studies conducted by researchers in different countries.

What happens to new firms after they enter the market? How are they able to survive? What determines the decision of the firms on entry and exit? Is there any effect of size, age, and technological capability of firm on its survival? How does technological development affect survival? Why are new firms’ exit rates so high? Why some types of the firms die, while others survive? These are the basic concerns of researches.

Firm entry and exit process can be seen as a market selection process, by this way resources are transferring from less efficient firms to efficient ones, and this encourages the firms to develop new technologies and products. In an industry, firms can exit or go bankruptcy due to nature of work, but they can fail more in some time periods than in others, and some types of firm fail much more often than others. For instance, failure rates of the small new firms are much higher, and researches devote a lot of effort to work out why this is. This paper will examine the causes of this.

In this paper, it can be seen that one factor sometimes does produce different results because of some other factors such as firm-, industry-, and country-characteristics. Entry of new firm into markets is seen as an important phenomenon, since this brings new products and processes, and leads to fierce competition in the market. In recent years, a few empirical studies in a number of countries have analyzed several aspects of this phenomenon, and considerable evidence is obtained on the case across markets. The question of what happens to new firms subsequent to entry is quite important, because the impact of entry on market performance depends not only on the number and size of entrants, but also on how long they last, and how much market share they eventually obtain.

This paper will be consisted of four parts. In the first part, the determinants of firm survival will be examined. Then, we examine the determinants of entry and exit. The third part presents brief evidence on Turkish manufacturing. Lastly, we summarize the findings obtained from the empirical literature.

2. Determinants of Survival

A number of empirical studies have conducted to analyze the factors that impact the survival probability of firms in the market. At the firm level, the studies conducted independently of each other have found that the firm size and firm age

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are two major factors that affect the firm survival. These studies have showed that the survival probability increases with firm age and size, although at a decreasing rate. In the United States, Dunne et al. (1989) and Audretsch (1991) find a positive relation between firm age and survival. From the study of Cefis and Marsili, the studies find that the market size and growth rates (Mata & Portugal, 1994), the characteristics of technology (Audretsch, 1995), and the life cycle (Agarwal & Audretsch, 2001) are the important factors that impact the survival probability at the industry level (Cefis & Marsili, 2003: 2).

Audretsch have pointed out that (1) average size, (2) industry capital intensity, (3) industry debt structure, (4) the price-cost margin, (5) R&D, (6) growth rate, and (7) entry rate are the major industry-specific factors which impact the survival probability of new-firm (Audretsch, 1995: 4). It is also argued that startup size, age, export-, R&D- and capital-intensity, human capital, and debt structure are the firm-specific factors that impact such probability (Audretsch et al., 1997: 3). Audretsch et al. (1997) compared the impact of industry- and firm-specific characteristics on the probability of new-firm survival in the United States, Germany, Canada, Portugal, and Italy. They find that these two characteristics play an important role especially subsequent to entry. However, in the mid- and long-term, the industry-specific characteristics have little influence on the survival probability, while firm-specific ones still exert a very important role in firm survival rates (Audretsch et al., 1997: 3–8).

2.1 Role of Firm Characteristics on Survival

Firm size is one of the major firm-related factors that impact the survival probability. A theoretical model for the positive relationship between firm size and survival was provided by Jovanovic (1982). Later empirical studies find that both firm size and age are positively correlated with the survival of entrants (Elston & Agarwal, 2004: 5). Dunne et al. (1988 & 1989), Audretsch (1991 & 1995), Audretsch and Mahmood (1995) in the United States manufacturing, Mata and Portugal (1994) in the Portuguese manufacturing find a positive relationship between start-up size and survival. In other words, larger firms experience higher survival probabilities than smaller firms. In contrast, Audretsch et al. (1999) find no relationship between start-up size and survival in Italian manufacturing, and they state that the characteristics of Italian manufacturing play an important role in this conclusion. In addition, Segarra and Callejon (2002), in their study for Spain, find that survival appears negatively related to initial size. Entrants show differing survival probabilities subsequent to entry depending on their initial size. Smaller entrants present lower survival probabilities (Segarra & Callejon, 2002: 6). Santarelli and Vivarelli (2002), in their study on Italian manufacturing, find that hazard rates are high in the early stages of firm’s lifecycle, and survival probability tends to be higher for firms whose start up size is larger (Santarelli & Vivarelli, 2002: 39).

Mata and Portugal (1994) show that size and ownership structure of a firm as well as industry growth and industry turbulence are important determinants of firm survival in Portuguese manufacturing (Mata & Portugal, 1994: 228). In addition, Audretsch and Mahmood (1995) find that the survival probability of a new firm is shaped not only by the underlying technological conditions and extent of scale economies, but also by firm-related factors such as ownership status and size (Audretsch & Mahmood, 1995: 102).

Innovation activity of the firms may increase the survival probability of new firms. Cefis and Marsili, in their study on manufacturing firms in Netherlands, show that innovation is important for the survival of firms, especially for the small and young firms. Also, this effect becomes more important as the survival is examined over longer time periods, from two years to three and half years. They show that small and young firms, whose probability to exit from the market is accepted as high, benefit more from the innovation activity for their survival especially in the long term (Cefis & Marsili, 2003:17).

 Financing constraints of the firm have also influenced survival. The impact of these on firm survival has been examined by several studies. Jovanovic and Evans find that liquidity constraints have a very important effect on firm survival in the United States. They show that constrained firms are smaller than unconstrained firms because former ones start with a suboptimal amount of capital. Constrained firms reinvest earnings back into the business since return on capital of such firms is higher than unconstrained firms (Jovanovic & Evans, 1989: 808).

 Close bank-firm relationships may also improve survival probability. Elston and Agarwal show that survival rates are higher for bank-influenced firms in Germany, in other words, bank-based systems are able to better promote the firm survival (Elston & Agarwal, 2004: 9).

 Audretsch argue that the survival probability is also determined by a firm's price cost margin. According to this argument, a firm's ability to increase price or reduce average cost, ceteris paribus, can have a positive effect on firm survival (Görg & Strobl, 2000: 2).
A new literature, focusing on the post-entry performance of firms, has emerged in the last few years. In particular, these studies focus on what happens to new firms subsequent to their entry, both in terms of their survival probability and their growth patterns (Audretsch et al., 1999). Bartelsman et al. (2003), in their study for a group of ten OECD countries, find that post-entry performance of the firms differs significantly between Europe and the United States (Bartelsman et al., 2003: 2). The accumulation of experience and assets enforce survivors, and increase the survival probability. Pre-entry experience can also influence survival. Peter Thompson, in his work about the US iron and steel shipbuilding industry of the 19th and early 20th centuries, find that pre-entry experience have a large and extremely persistent effect on survival, and this finding is inconsistent with standard explanations for the role of pre-entry experience on firm performance (Thompson, 2005: 1).

Vivek Ghosal discover that greater uncertainty about profits, in conjunction with higher sunk costs, have a quantitatively large negative impact on the survival probability of smaller firms in the Unites States manufacturing industries (Ghosal, 2003: 21).

According to Agarwal and Gort, there are three key attributes of firms that explain variations in the probability of survival. These are learning-by-doing, differences in the quality of initial endowments, and changes in endowments as a result of net investments (Agarwal & Gort, 2002).

2.2 Role of Industry Characteristics on Survival

One of the major industry-related factors that affect the survival is economies of scale of an industry. Audretsch show that the survival probability of a firm is lower in industries where scale economies play an important role. He finds that the existence of substantial scale economies and a high capital-labor ratio reduce the survival probability in the United States (Audretsch, 1991: 445). For Portuguese manufacturing industry, Mata & Portugal (1994) reach the same result. In a similar study, Audretsch and Mahmood show that scale economies are relatively important for the survival of firms in the United States (Audretsch & Mahmood, 1995: 101). Audretsch argue that the post-entry performance of firms is also influenced by the degree of scale economies in an industry (Audretsch, 1995).

Research by Segarra and Callejon for Spain manufacturing industry illustrates that survival probability of the new firms in an industry, which characterized by market power, is higher; on the other hand, it is lower in industries, which compete through advertisement, because these industries put more barriers to the survival of new firms (Segarra & Callejon, 2002: 12). They also show that industry growth, price-cost margin, mobility of firms, and size of entrants’ impact positively firm survival, while advertisement and R&D impact negatively.

The industry growth rate has also a positive effect on new-firm survival. The probability of a firm to survive is higher in an industry with fast growing. This implies that firms may choose to enter at a larger size in fast growing industries, because of the higher chance of success (Görg et al., 2000: 212). Moreover, it is easier for small entrants to grow and survive in a growing industry. Audretsch et al. (1997), in their study for the United States, Germany, Canada, Portugal, and Italy, find that growth rates have a positive effect on new-firm survival (Audretsch et al., 1997: 5-6).

The level of competition and the predictability of demand in an industry also affect the survival probability. Competition is very important for the efficiency and productivity, and it separates winners and losers. Firms, which are inefficient and cannot cope with competition, are rapidly exiting from the market, while survivors are growing and adapting to market. Görg and Strobl, in their study on Irish manufacturing, argue that if the concentration level of an industry is higher, survival probability of a firm decreases. They state that firms in highly concentrated industries are subject to fierce competition, and this reduces the survival probability (Görg & Strobl; 2000: 9). Audretsch and Mahmood (1995) find a negative and statistically significant effect of market concentration on the survival of new firms in the United States manufacturing industry. On the other hand, Mata and Portugal (1994) find this effect to be insignificant in Portuguese manufacturing industry. Survival may also partly depend on volatility of market demand. The likelihood of unfavorable surprises in a market with volatile demand is greater, and this decreases the survival probability of the firms (Agarwal & Gort, 2002: 185).

Technological conditions of the industry are seen as the other important determinant of survival. These conditions have been linked to the new firm’s survival probability by Audretsch. He shows that the technological regime and market structure play an important role in explaining the variation of firm survival across manufacturing industries in the United States (Audretsch, 1991). Suarez & Utterback (1995), they have also tested the survival of firms in the United States, show that the survival is substantially affected by the technology evolution. In addition, Christensen et al. (1998) argue that the combination of market and technological strategies is one of the major predictors for firm’s survival in the United States.
Suarez and Utterback show that survival probability is also affected by entry timing and the evolution of technology in the industry. They state that dominant design\(^1\) has a strong and significant effect on firms' survival in the United States, and its emergence in an industry may also affect firms' survival. They hypothesize that survival probability of the new firms, which enter an industry before the emergence of a dominant design, is higher than for firms entering after it (Suarez & Utterback, 1995: 419).

Agarwal and Gort argue that survival probability also depends on the development stage of the market in the cycle from birth to maturity, and on individual firm attributes in the United States (Agarwal & Gort, 1996: 489).

Other important factor is the minimum efficient scale (MES). If average MES level in an industry is high, then the survival probability of new firms that cannot experience sufficient growth to attain MES level is low (Audretsch, 1991). In other words, if new firms do not able to grow and approach the MES level of industry, they are forced to exit from such industry, and this leads to a relatively low survival probability (Audretsch et al., 1999). It seems reasonable to assume that, the higher MES in an industry, the larger will be new start-ups in order to be able to compete effectively in the market. We would, therefore, expect a positive relationship between the size of entrants and the MES (Görg et al., 2000). The larger entrants are more likely to be closer to the MES needed to operate efficiently in a market, therefore, they are less likely to be vulnerable than smaller firms that operate further up the cost curve (Geroski et al., 2003).

Görg and Strobl, in their study for Irish manufacturing industry, argue that multinationals impact positively on firms' survival rate through technology spillovers, and negatively through the crowding out of rivals. They also state that if the local firms manufacture with high fixed costs, then multinationals by increasing output may force these firms to reduce production. This will cause an increase in the average cost of production, and thus it will reduce the local firms' chance of survival in the long-term, ceteris paribus (Görg & Strobl, 2000: 12; Aitken & Harrison, 1999).

3. Entry and Exit

3.1 Theoretical Models

In the literature, the entry and exit process is modeled by a number of theoretical studies based on the creative destruction of Schumpeterian concept. In this model, it is assumed that a firm enters a market with new technology, and competes with incumbents that use conventional technology. If the new innovator firm can cope with the competition, the entrants will be able to replace the incumbents. If not, they will fail to survive and exit from the market (Ahn, 2001: 5). In this process, only successful firms can survive in the market, and resources are transferred from inefficient firms to efficient firms. This turnover of the firms also facilitates the innovation and the adoption of new technologies. According to Cincera and Galgau (2005: 11), these models classified as passive and active learning models, capital vintage models and product life cycle models as follows:

In passive learning models, it is assumed that firms do not know their productivity when they enter the market, and they learn it over time. If they explore that their productivity is too low compared to their rivals, they decide to exit the market (Cincera and Galgau, 2005: 11).

Another model is the active learning models which assume that firms enter the market, and invest to increase their productivity. If they cope with the competition, they survive in the market. If not, they decide to exit the market (Cincera and Galgau, 2005: 12).

In capital vintage models, it assumed that new technology is embodied in vintage capital, and incumbent firms have to bear the costs of upgrading their capital. In this model, new firms entry into the market plays an important role in the adoption of new technologies. On the other hand, in R&D based models of economic growth, firms conducting successfully innovation and R&D activities to upgrade their products or create new ones enter the market, and replace firms manufacturing old and low-tech products (Cincera & Galgau, 2005: 12).

The last model is the life cycle. In the interpretation of Mata et al. (1995) by Ahn (2001), it is stated that high rates of entry and exit are observed in the earlier stages of product life cycle, because new entrants are more aggressive with experimenting new technology during this stage. If a new product is successful, demand grows and a large number of new firms enter the market. After a period of time, the market develops and demand slows down, and economies of scale become more important. In sum, the number of firms increases at first, but then declines sharply, and finally levels off.

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\(^1\)A dominant design is defined by Suarez and Utterback (1995: 416) as a specific path along an industry's design hierarchy, which establishes dominance among competing design paths.
According to this model, it is assumed that it is relatively easy to enter the market in the beginning of the product life cycle, but it is very hard to survive through the next stage where the number of firms declines sharply (Ahn, 2001: 6). Agarwal and Gort (1996) have suggested a similar argument by stating that “the evolutionary stage of the product cycle plays a key role in determining entry, exit and survival rates of firms”.

3.2 Determinants of Firm Entry and Exit

The theoretical and empirical literature on the factors that influence entry and exit decisions of the firms can be classified into three categories: (i) firm-specific, (ii) industry-specific, and (iii) country-specific. Table 1 below summarizes these factors that play a major role in entry and exit according to these categories (Cincera & Galgau, 2005: 20).

Table 1: Determinants of Firm Entry and Exit

<table>
<thead>
<tr>
<th>Firm Specific Determinants</th>
<th>Industry Specific Determinants</th>
<th>Country Specific Determinants</th>
</tr>
</thead>
<tbody>
<tr>
<td>type of entrant, size, age,</td>
<td>lagged entry, lagged exit,</td>
<td>degree of economic development,</td>
</tr>
<tr>
<td>firm growth rate, limit price,</td>
<td>minimum efficient scale of production,</td>
<td>macroeconomic shocks,</td>
</tr>
<tr>
<td>excess capacity, financial structure,</td>
<td>capital intensity, resource intensity,</td>
<td>access to start-up capital</td>
</tr>
<tr>
<td>manager turnover in small firms,</td>
<td>maturity degree of the industry,</td>
<td></td>
</tr>
<tr>
<td>limit price, predatory pricing</td>
<td>concentration, differentiation</td>
<td></td>
</tr>
<tr>
<td>(past) profits, adjustment costs, subsequent growth rates of survivors, advertising intensity, R&amp;D intensity, innovation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Extracted from Cincera and Galgau (2005: 20)

According to neoclassical approach entry and exit are dependent on a variety of market properties such as growth in demand, barriers to entry, and scale economies (Agarwal & Gort, 1996: 489).

Cincera and Galgau (2005), in their study on entry and exit for European Countries, argue that an increase in the level of deregulation leads to an increase in both entry and exit rate. They state that barriers to both entry and exit impact the possibility of least efficient firms to exit from the market, while they impact the possibility of efficient firms to enter the market (Cincera & Galgau, 2005: 8-10). Harrigan (1980) also argues that entry barriers discourage the entry decision of firms into the market. If entry barriers are high in an industry, firms can earn high profits because of higher prices exceed costs and no new entry into the market. On the other hand, exit barriers block the firms whose productivity are lower to exit from the market (Harrigan, 1980: 166). If entry and exit barriers in an industry are very minor, then this process moves the market share from inefficient firms to efficient ones. Cincera and Galgau also state that public intervention by implementing various market reforms is one of the major factors that impact the entry and exit decision of firms (Cincera & Galgau, 2005: 8-10).

Geroski et al. (2003) for Portuguese manufacturing industry find that firm size, human capital, market concentration and growth rate negatively impact exit rate, although their effect is not permanent. On the other hand, they show that entry rate is highly positively correlated with exit rate. They argue that founding conditions of the firms play an important role in the exit rates, and in some cases they can be more crucial than current conditions. They also state that these conditions have long lasting impact on the survival probability although their effects decrease with time, and reversal of the initial decisions to improve the survival cannot be possible after the foundation of the firm (Geroski et al., 2003: 2).

Sunk costs can also impact on both exit and entry decision of the firms. The studies by Audretsch (1991 & 1995) and Audretsch et al. (1999) show that a greater degree of sunk costs should reduce the probability of exit, and lead to lower growth rates of surviving firms.

The characteristics of the industry and inter-industry differences are the other factors which affect entry and exit decision of the firms. Industries that require a high amount of sunk capital present lower rates of entry and exit. For instance, industries based on economies of scale and on natural resources experience the lowest entry and exit rates, because sunk costs are very high in these industries. On the other hand, labor intensive and product differentiated industries, which require relatively lower set-up costs, give rise to high exit and entry rates because of fierce competition in these industries. In addition, innovative and R&D based industries are more risky; firms that enter these industries face high exit rates. (Segarra & Callejon, 2002: 8).
General economic condition is also a factor that affects the decisions of firms in terms of enter and exit the market. A favorable economic condition negatively affects exit decisions of firms from a market (Kranenburg et al., 2002: 285).

According to another argument by Segarra and Callejón, entrants cannot be sure about their own relative efficiency, and they enter the market with small investment commitment with the objective of "trying" or "looking" into the market, and "learning" about their possibilities in time. If they explore that their capabilities are not enough to cope with the competition, they will exit subsequent to entry (Segarra & Callejón, 2002: 2).

Mata and Portugal (1994) point out that larger entrants and firms that have entered market with multiple establishments are more likely to stay in the market for more periods. Exit of multplant firms is less likely since it implies the simultaneous failure of all their plants. And, they also pointed out that in growing fast industries, the expected survival rates of new firms is likely to be greater and that can accommodate more new firms, and those in which fewer firms attempt to enter (Mata & Portugal, 1994: 242).

According to Schary (1991) a firm may leave an industry through merger, voluntary liquidation, or bankruptcy. Different forms of these exits have different economic consequences. In a merger situation, much of the productive capacity may remain in the industry and investors may receive a premium for their shares. In voluntary liquidation, capacity is often removed from the industry and creditors are paid in full, while bankruptcy often leads to permanent close of production capacity and to partial payments to creditors (Schary, 1991: 339).

According to Ghosal (2003), one other determinant of exit and entry is the initial capital and the financial structure of the firm. He proposes that the firms that encounter financial constraints have lower survival probability, and higher exits. Generally, smaller and younger firms face financial difficulties, and they borrow more and have higher probability of failing to pay this borrow. He also showed that the default probability decreases with increasing firm size and age (Ghosal, 2003: 5).

If we look at the relation between entry and exit rates in the literature, it is seen a positive correlation between such rates. This correlation is explained by two arguments. Firstly, the entrants increase the number of firms in the market, and this lead to fierce competition, and thus it facilitates the exits in the market. According to Ahn (2001), turnover rates are higher in innovative industries, and industries with entry rates also tend to have higher exit rates (Dunne et al., 1988: 496). They also find a very strong positive correlation between the flows of entry and exit across industries in the United States manufacturing. Secondly, if new entrants have lower survival rates than incumbent firms in the market, high entry rate should be associated with high exit (Agarwal & Gort, 1996: 491).

An interesting argument is done by Ghemawat and Nalebuff in 1985. According to this argument, the exit decision is more closely related to recent models of patent races, continuing to produce is like continuing to do research; exit is comparable to abandoning research (Ghemawat & Nalebuff, 1985: 185).

4. Evidence on Turkish Manufacturing

Kaya and Úçdoğru (2002), in their empirical study on the entry and exit dynamics of Turkish manufacturing industry for the period 1981-1997, find that profit margin positively affects entry rate, capital intensity represents an entry barrier, there is a positive relationship between growth and entry, the concentration ratio is an important determinant of both entry and exit decision of the firms, an increase in the real wage rate affects negatively entry rates, and the level of labor productivity discourages new firms from entering the market (Kaya & Úçdoğru, 2002: 25).

In another study conducted on Turkish manufacturing industry for the period 1983-1996, Özler and Taymaz (2004) analyze the impact of foreign ownership status of the firms on firm survival and growth. They find that entry characteristics of foreign and local firms are different, and their entry level differences persist after entry. Also, foreign firms are more likely survive; foreign ownership and foreign presence do not have any impact on the survival of local firms. Firm characteristics such as size, growth rate of the firm, cost of external funding, profitability, and quality of the labor force are important factors for foreign and local firm survival (Özler & Taymaz, 2004: 21).

Sak and Taymaz (2004), in their study on Turkish manufacturing industry, find a high difference between small and large firms in the case of entry, exit and growth processes. Enter and exit rates of the small firms are much higher than larger firms. On the other hand, small firms that can survive achieve very high growth rates (Sak & Taymaz, 2004: 12).

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2 “The hazard rate is the share of exiting firms in a given year as a percentage of the total number of survivors as of the previous year”.

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5. Summary

The main conclusions drawn from the empirical literature can be summarized as follows:

- A substantial number of firms enter and exit from each industry each year in most countries.
- There are significant differences in survival probability according to the size of the new firms.
- Smaller firms dominate the exit and entry processes within the industry.
- Exiting firms are generally small and young.
- Entrants are small compared to incumbents, and they have high failure rates. Small entrants have a low survival probability on average unless they grow rapidly to a reasonable size. Small firms have higher rates of post-entry growth. Larger firms are older, and they have higher survival rates.
- The entry flows of the firms are accompanied by contemporary exit movements.
- Entry rates change over time, and it reaches to peak in the beginning of the product life cycle of industry.
- Firm turnover rates are higher under more innovative and more competitive environments.
- Entry and exit are intimately involved in the growth-size relation.
- Only a small number of firms can succeed to survive, and acquire market share.
- The industry growth rate impacts positively the survival probability.
- Survival rates present higher variation than entry rates across industries.
- Growth and hazard rates decline with firm age.
- Firm size and firm age are consistently important in explaining survival and growth of entrants.
- Older firms showed lower failure rates and lower growth rates in most studies.

References

Photojournalism and Disaster:  
Case Study of Visual Coverage of Flood 2010 in National Newspapers  

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Abstract  
The phenomenon of flood after rainy season is not new for Pakistan but flood in 2010 is the biggest ever and effected & displaced millions of people from their homes. Role of photojournalist is very critical at the time of crisis as they can touch hearts by only one picture rather than using many words. Using Content Analysis technique the aim of study is to analyze photographic coverage of flood 2010 in national newspapers. The study is focused on prominent frames used in visual coverage of flood 2010. Moreover, the study also analyzed ethical issues like showing dead & mutilated bodies, grief and gender stereotyping; in photos of flood 2010. Both English (Dawn, The News, Express) and Urdu (Jang, Express, nawa-i-waqt); are analyzed which helped in establishing the difference in visual framing of both language media. Using census sampling method all photographs (2156 photos) including hard news photos, stand alone photos, and photographs with feature stories; in above mentioned newspapers are analyzed; from July 2010 when the crisis initially started to November 2010 are included in study. Major frames found in visual coverage of flood 2010 are human interest frames, economical frame and political frame. It was observed that Human Interest Frame is dominant in all newspapers. Political frame is more prominent in Urdu newspapers. There are very less photographs portraying dead and mutilated bodies. Vis uals are gender stereotypes in a way that females are dominantly framed in passive roles. This study has tried to contribute to scarcity existing in visual framing research.  

Keyword: Visual framing, flood 2010 Pakistan, human interest frames, disaster coverage, gender stereotyping.  

1. Introduction  
It is imperative for journalists to consider that how visuals can shape events not only for general public but for affectees also. Journalistic interpretation of events in visuals can affect public & governmental policy in various ways. This is very relevant in case of disasters and crisis situations. According to Sontag (1977) photographic content of newspapers depict reality more closely than text and therefore help real life understanding of events & issues in a much better way. Research has shown that the first thing news reader look at on a newspaper page is a photograph and that photographs are highly read (Garcia, 1987; Stone, 1987). Jackson(2011) suggests that visuals create story of an event and public construe the impact & implication of disaster through them. In his research on flood he argued that“ investigating three interlocking narratives of beauty, ruin, fraternite, the article shows how photographs of Paris under water allowed residents to make sense of the deconstruction.”. Lester & Ross (2003) further argued in their book about news photographs that“They do not become iconic symbols of a particular event. Rather they serve as source of information that audience member can incorporate into their understanding of story.”  

The present study aims to find out what visual frames are created by national newspapers while covering photographically the biggest flood (2010) in the history of Pakistan. Studying this disaster from the perspective of visuals also helps to understand that what memories are created visually by national coverage in the mind of people after their exposure to national newspapers. Furthermore study is also focused to study visuals from gender perspective.  

Due to its location and monsoon season the country has long history of floods from River Indus and its sister rivers which are seen as a foremost natural catastrophe. But the latest flood of 2010 during monsoon rains was the most
disastrous one. It started with severe rainfall in third week of July in southern Province of Baluchistan, followed by a second spell of rains in Khyber Pakhtunkhwa (KPK) during last week of July. These rains generated extraordinary flood flows in KPK, followed by Punjab and Sindh. A representative of UNO, Maurizio Giuliano, dealing Humanitarian Affairs (OCHA) stated that flood 2010 is most horrible and worst than tsunami and earthquake in Haiti & Pakistan.

The losses (as of Jan. 02, 2010) faced by flood were: 1,985 deaths, 2,946 injured, 1,744,471 damaged houses, 78 districts affected and the total population affected was 20,184,550 (Source: National Disaster Management Authority). With so many population affected by this disaster it was important to understand that what type of visuals are created or emphasized by national newspapers.

2. Literature Review

2.1 Media Frames and Framing

Framing research is very much limited when it deals with elements of visual framing. Thus this study can help to add in very less touched area of visual framing. While studying mass media researches, Matthes (2009) bring into notice that visuals are very less studied as compared to textual elements. After studying 131 studies published in fifteen international journals he argued that problems in “framing research is lack of operational precision, the descriptive focus of many analyses, and neglect of visuals”. According to him this approach is very problematic as textual content is intrinsically affected by visuals, so role of visual elements is very crucial to framing theory. Borah & Bulla (2006) quoted that concept of framing is firstly developed by Goffman (1974). Framing is defined by him as those rules which organize and govern an event and journalists are subjectively involved in it.

The process of framing is explained by Tewksbury & Schefele (2009) and Entman (2003) as process of selecting certain words and images which emphasize a certain viewpoint or interpretation which journalists want to promote. This explains the importance of visual framing while covering disaster or crisis as it can influence public perception in the way media / journalist want which can in turn effect public’s and government’s response to the disaster. Fahmy, Kelly & Soo(2007) in their study on Hurricane Katrina defined framing as “The central idea of framing refers to the activities of the mass media in selecting, emphasizing, and presenting some, but not all, available information to the audience. The process generates a frame on inclusion and exclusion of information.”

Weaver (2007) found similarities between second-level agenda setting and framing but not as identical approaches. Both of them focus on how an issue or object is depicted on media rather than which issue or object has more prominence in reporting. He concluded that framing was still not well defined, conceptually or operationally, as compared to agenda setting and priming. It was also discussed by Tewksbury & Schefele (2009) that framing is somehow different from basic agenda setting concept as in agenda setting media only raises attention to certain issue but in framing media raises or tries to give interpretation to certain lines of any particular issue.

2.2 Visual Framing

Catastrophic events (plane crashes, natural disasters, terrorist attacks, etc.) are often given extensive visual representation in print media, which can leave lasting impressions in the minds of the public. Literature on press photography and other imaging in general tells us that just like the text, visual material is not neutral account of reality. It applies to both photographs and drawings or paintings (Kruif, 2009). Considering much simpler and far reaching implication, the simple act of selection is visual framing. It includes choosing one view to make photograph instead of another, editing or cropping in a way while leaving other options, or display one image out of others taken at the same time (Messaris & Abraham, 2001; Borah & Bulla, 2006). But as discussed earlier and as posited by Matthes(2009) research on visual framing is very little especially those which are related to disaster. Downey (2012) quoted Borah & Matthes (2009) that ”Visual framing is lacking in existing research as compared to textual analysis.” He further quoted Fahmy , Kelly & Soo(2007) that though various studies were conducted on frequency of photographs appearing in media but mostly those are related to war on terrorism. Furthermore to understand coverage of any disaster, understanding of photographs can help to deeply understand media frames. Faux & Kim (2006) explained that sometimes media use image of disaster to create ‘pseudo reality’ which while giving many perspectives fails to objectively record event.

While discussing the role of media in natural disasters Littlefield & Quenette (2007) argued that media use its specific & important position in society to create their own point of views and reality for public regarding disaster & crisis. They found in their analysis that generally blame game is played by media regarding authority figures & organization
which is mostly not based on facts. They further argued that media mostly brings biasness in reporting disaster and through process of framing; both through visuals & text, has strong hold on interpretation of disaster.

Messaris & Abraham (2001) found that the perception of viewers about an event or object is more influenced by a photograph than words because they closely link it to the reality. That is why they claim that visual framing is “less obtrusive, more easily taken-for-granted than verbal framing” (p. 217). Visual frames can activate certain constructs in the minds of news consumers by directly influencing them at the expense of others (Kenix, Rodgers & Thorson, 2006).

Fahmy (2004) argues in her study of portrayal of Afghan women during and after Taliban regime in AP Wire photos, that a news photograph is not the entire whole but only a part of whole, a small portion of what is really out there. She supports the point mentioned earlier that the actuality of an event or object represented in news image is influenced by media logic such that photojournalist’s point of view or editorial choice. In another study on images of Hurricane Katrina; Fahmy et al. (2007) found that images from independent sources were different from images that were acquired by wire services. Borah & Bulah (2006) did a content analysis on the photographic coverage of the Tsunami and Hurricane Katrina to study concept of visual framing. Their study compared how newspapers from three countries (India, United Kingdom, and United States) in three continents visually framed the first week of the two natural disasters. They stated that both natural disasters and war produces images that can shock the audience and it becomes difficult for an editor of a media organization to decide what to select and what to reject.

While suggesting that how visual frames are created; Kruif (2009) discusses the technicalities of photography and claims that images can not only be manipulated afterwards but during production too. The decisions are made about the subject, camera angle, lighting, and framing of the view. Newspaper editor’s choice is also involved in visual framing like how and in what context an image is presented, at which position on the page, and the caption written for that image (Moriarty & Popovich, 1991; Rodgers & Thorson, 2000; Kruif, 2009).

Another aspect of visual framing discussed in many researches is that human interest frame is more prevalent in coverage of natural disaster, crisis and war situation (Peng 2004; Schwalbe, Silcock & Keith 2008; Wojdynski 2009). While analyzing online source for photographs of Iraq war Wojdynski (2009) found that human interest frames based on civilians were more common than frames based on soldiers & authority figures.

In his study using content analysis method Peng (2004) found that human interest frames are frequently used in process of visual framing. Photographic coverage of China is analyzed by Peng across ten years span in New York Times and Los Angeles Times. Peng argued that “results show a significant increase in the total number of photos in general and economic and human-interest photos in particular. While the pattern of “official” news (dominantly politics and government) continued, more average people came into the frames, and the overall tone appeared to be more positive.”

Schwalbe et al. (2008) found in his study of photos of Iraq invasion by US; that in first two weeks images were framed by using political frame but after that mostly images are framed based on human angle. As argued by Lester & Ross (2003) that emotions are central theme to human angle and photographs is best tool for depiction of emotions. They argued that “A single photograph can, nearly instantaneously, convey an emotion or emotional states. We need no words to immediately interpret sorrow on the face of young women standing over flag draped coffin.”

2.3 Gender Stereotype

Several researches have proved that news images convey stereotypical portrayals of race, age, ethnicity and gender (Fujioka, 1999; Kahle, Yu, & Whiteside, 2007; Kenix, Rodgers & Thorson, 2007). Generally the technique of content analysis is used in these studies to analyze the issue of stereotyping in visuals as well as text. One of them is Fahmy (2004) who defines stereotype as an opinion about a particular group, identified by the way they are being depicted. In psychological context it is a cognitive process, an individual’s perceived knowledge, beliefs and expectations about specific human groups.

A single image is not capable to stereotype. Continuous exposure to same representation of certain group by media reinforces our personal stereotypes. Lester & Ross (2003) maintain that media stereotypes magnify an individual’s stereotypes that in result lead to social disintegration; hatred, violence, and misunderstanding (p. 3).

Women are often portrayed in gender-stereotyped roles in news media like victim of violence, sex object, or suppressed by her male relations, rather than in positions of authority (Ross, 2005). Fahmy (2004) also argued that “Goffman (1976) concludes women have been portrayed as sexy, dependent, uncompetitive, passive and shy”. In study on visual portrayal of Afghan Women Fahmy(2004) argued that “Regarding the portrayal of Afghan women in subordinate traditional roles, the majority of images in both data sets, 228 photographs, depict Afghan women in inanimate positions such as sitting or standing” It is rarely that women are associated with strength. Similarly, in a study
by Rodger, Kenix & Thorson (2006), it was found that gender stereotypes do exist in media and women are mainly shown in stereotyped topics and sections. They quoted Van Zoonen(1995) that “some studies have found that females are more likely than males to be represented as victims in news coverage of stories about crime and violence."However in their study they found that” findings revealed that significantly more females than males were depicted as happy, calm and submissive. In contrast, significantly more males than females were portrayed as sad, excited and dominant.”

2.4 Research Questions

- RQ1: How Flood 2010 is visually framed in National newspapers?
- RQ1a: What are the prominent frames/themes used to visually frame flood 2010 in national newspapers?
- RQ1b: To what extent themes of dead & mutilated bodies are used in visual framing of flood 2010 in national newspapers.
- RQ2: In which role male & female subjects are framed in visuals of all four newspapers while covering this disaster.

3. Research Methods

The method selected for this study was content analysis which is the best approach for this study as explained in literature (Matthes 2009; Yang 2009; Wojydnski 2009, Peng 2004). The reason for choosing it as methodology was that it allowed the researcher to examine that how media has created those frames rather than survey or experimental study which can help to study that how audience has interpreted those frames.

The source of sample for the photographic content of coverage of flood, 2010 was three English (Dawn, The News, Express) and three Urdu (Jang, Nawa-i-waqt, express) major dailies of Pakistan. By major, the researcher meant the most circulated and credible newspapers published in Pakistan. By using census method of sampling every photograph published in these daily newspapers from July 2010 to November 2010 was included in study. This time span covered the crises and post crises period of the disaster. Daily issues of the above mentioned. Magazines and material other than main publication of the issue was not included in the sample.

3.1 Instrument/Code Sheet

Coding sheet was designed as the instrument of data collection. There were 12 main groups or categories which were further divided into sub-groups. They were:

1. Size (size in inches of picture + caption)
2. Depiction of Death/Grief (dead Body or Subject grieving over dead body, mutilated bodies)
3. Gender Stereotype
   - Gender stereotype was measured by
     a. Passive Role of subject can be defined
        - As subject being helped or lifted by others to wade through water. Subject Sitting always sitting in grief and waiting for others to help. Subject not helping others or his/her family members and not doing anything for their own self.
        - Subject not working for rehabilitation and Construction.
     b. Active Role of subject can be defined as
        - Independent – men/women present in vicinity struggling for life.
        - Standing – men/women always standing or moving in affected areas
        - Subjects actively rescuing their family members or others.
        - Working – men/women working for construction or rehabilitation.
4. Prominent Frames/themes
   - For analyzing prominent frames as studied in literature three categories were made:
     - Human Interest Frames in which civilians or those affected by this disaster are shown and those which are related to getting sympathy and which can touch the emotions of audience. They are mainly sympathy seeking frames. Sympathy can be get by showing disaster & grief of affected people so themes that can
touch emotions and feelings of audience like showing child Misery, old People Misery, grief in General, destruction, fight over Food & Lack of Facilities etc.

- **Economic Frames** can be categorized as aid assisting frames in which aid requirement is shown by portraying bad condition of heath facilities, construction facilities, and shelter, food and rescue facilities in disaster area. In this those photographs can be categorized which show bad economic condition in disaster hit area.

- **Political Frames** are categorized when other than civilian or those affected by this disaster are present or through which political actors can politicize the event. The subjects which can come in this category are government representatives, defense forces, politicians, NGOs, International actors etc.,

Data is retrieved from hard copy archives of newspapers and they were collected according to date. After that all photos from each issue is collected regarding flood 2010. An image is analyzed only once; if any image is repeated than it was not again made part of the study. Data is then analyzed using SPSS Statistical software. Non parametric test like chi square is used because data is nominal or categorical level.

## 4. Results & Analysis

Data were collected from the printed copies of the newspapers and a total of 2156 photographs were retrieved from the four newspapers; 1015 images of English newspapers (Dawn: 383; The News: 289; Express (eng): 343) and 1141 pictures of Urdu newspapers (Nawa-i-waqt: 352; Express: 393; Jang: 396). In terms of space or area *Dawn* has given more space to these photos; though in numbers these photos are less in English newspapers but they are generally appear in large sizes. There is not much difference in *The News and Nawa-i-waqt*. Though number of photos in *Express (Urdu)* are higher but space allocated to them is less as these photos generally appear in small sized. (See table 1)

### Table 1. Space given to Photographs in each Newspaper

<table>
<thead>
<tr>
<th>English Newspapers</th>
<th>Urdu Newspapers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dawn</td>
<td>27827 cm²</td>
</tr>
<tr>
<td>The News</td>
<td>24117 cm²</td>
</tr>
<tr>
<td>Express (eng)</td>
<td>25216 cm²</td>
</tr>
<tr>
<td>Nawa-i-waqt</td>
<td>24794 cm²</td>
</tr>
<tr>
<td>Express</td>
<td>21228 cm²</td>
</tr>
<tr>
<td>Jang</td>
<td>23438 cm²</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>77160 cm²</strong></td>
</tr>
</tbody>
</table>

### 4.1 RQ1: How Flood 2010 is visually framed in National newspapers?

To study visual framing of flood 2010 prominent themes/frames are observed. Moreover it was analyzed that how much misery and death is used as a subject in pictures to catch attention of reader.

### 4.1.1 Prominent Frames/Themes

To study different prominent frames/themes there were divided in three categories of Human interest frames, economic and political frames.

### Table 2. Difference in use of frames in national newspapers

<table>
<thead>
<tr>
<th>Prominent Frames</th>
<th>Newspaper Names</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Interest</td>
<td>Dawn</td>
<td>165</td>
</tr>
<tr>
<td></td>
<td>Express (eng)</td>
<td>153</td>
</tr>
<tr>
<td></td>
<td>The News</td>
<td>139</td>
</tr>
<tr>
<td></td>
<td>Nawa-i-waqt</td>
<td>175</td>
</tr>
<tr>
<td></td>
<td>Express (urdu)</td>
<td>143</td>
</tr>
<tr>
<td></td>
<td>Jang</td>
<td>156</td>
</tr>
<tr>
<td>Economic</td>
<td>Dawn</td>
<td>157</td>
</tr>
<tr>
<td></td>
<td>Express (eng)</td>
<td>127</td>
</tr>
<tr>
<td></td>
<td>The News</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>Nawa-i-waqt</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>Express (urdu)</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>Jang</td>
<td>81</td>
</tr>
<tr>
<td>Political Frame</td>
<td>Dawn</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Express (eng)</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>The News</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>Nawa-i-waqt</td>
<td>99</td>
</tr>
<tr>
<td></td>
<td>Express (urdu)</td>
<td>173</td>
</tr>
<tr>
<td></td>
<td>Jang</td>
<td>159</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>383</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>343</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>289</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>352</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>393</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>396</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>2156</strong></td>
<td></td>
</tr>
</tbody>
</table>

It was observed that 43.1% (931 photos) were framed using human interest angle, 28.3% (611) photos were used using economic frames and 28.4% (614 photos) were framed using political theme. (see table 2) All newspapers were also somewhat different from each other in framing this issue. *Political frame* is more emphasized in Urdu newspapers.
Political frame is more dominant in express (Urdu) and Jang. In both newspapers political leaders and parties are framed providing aid and sympathy to affectees. There is very little Coverage given to NGO sector work in visuals. Human interest frame is more prominent in Dawn newspaper and Nawa-i-Waqt. Themes used in human interest framing are generally revolves around portraying grief of people on destruction of their homes, showing people in water to save themselves & their families etc. Similarly dawn & Express (eng) are dominant in using economic frame. Downey, Johnson & Brewer (2011) also argued in their study on Japanese Tsunami that “By approximately two-thirds to one-third, people were present in more photos than were not. In other words, approximately a third of the photos were of landscapes. An explanation for this could be as simple as news agencies wanting to show scope of the destruction.”

Table 2.1. Comparison of English & Urdu Newspapers in Visual Framing

<table>
<thead>
<tr>
<th>Prominent Frames</th>
<th>English Newspapers</th>
<th>Urdu Newspapers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human interest</td>
<td>49.1% (457 photos)</td>
<td>50.9% (474 photos)</td>
</tr>
<tr>
<td>Economic</td>
<td>61.4% (375 photos)</td>
<td>38.6% (236 photos)</td>
</tr>
<tr>
<td>Political</td>
<td>29.8% (183 photos)</td>
<td>70.2% (431 photos)</td>
</tr>
</tbody>
</table>

It was observed in table 2.1 that Human interest frame depicting grief, misery of people and destruction are dominant in Urdu news media but there is not much difference from English news media. On the other hand political frame is much dominant in Urdu news media and economic frame is much dominant in English news media. Overall emotional theme showing grief and destruction is much common in all photographs.

4.1.2 Depiction of Death/Misery

To understand that how much dead bodied, mutilated bodies and misery of people over their dead ones is used as a theme in photographs of flood 2010 following results are found.

Table 2.2. Depiction of Death

<table>
<thead>
<tr>
<th></th>
<th>Dead Body Depicted</th>
<th>Mutilated bodies</th>
<th>People Grieving Over Dead Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>English Newspapers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dawn</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>The News</td>
<td>1</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Express (eng)</td>
<td>3</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Urdu Newspapers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Express(urdu)</td>
<td>7</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Nawa-i-waqt</td>
<td>9</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Jang</td>
<td>11</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>0</td>
<td>58</td>
</tr>
</tbody>
</table>

While studying depiction of death it was found that there is no single photo framing mutilated bodies. There are only 4 photos depicting dead body in English Newspapers and 27 photos of dead body in Urdu Newspapers. There are only 58 photos showing people grieving over their dead ones; 20 in English news media and 39 in Urdu newspapers.

4.2 RQ2: In which role male & female subjects are framed in visuals of all four newspapers while covering this disaster.

Only those photographs were observed in which male & female subjects are present dominantly. Out of all the sample photos only 853 photos are those in which male & female subject are present dominantly. Firstly to observe that which subject is dominant while framing visuals of flood 2010; presence of male & female subjects is measured.

Table 3.1. Presence of Male & Female subject

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant Presence of female subject</td>
<td>366</td>
<td>43%</td>
</tr>
<tr>
<td>Dominant Presence of male subject</td>
<td>487</td>
<td>57%</td>
</tr>
</tbody>
</table>
It was observed that male subject is more dominant than female subject in photographs appeared in national newspapers of flood 2010. Only in 43% photographs female subject were present dominantly but male subjects were present dominantly in 57% photographs. (See table 3.1). The photographs are gender stereotyped in terms that male character is present in large number of photographs and female character is very less photographed.

Now 366 photographs in which female subjects are present, their role is observed; either they are framed active participant or passive participant.

**Table 3.2. Role of male & female Subject**

<table>
<thead>
<tr>
<th>Role of Subject</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Role of Female subject</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Role</td>
<td>117</td>
<td>32%</td>
</tr>
<tr>
<td>Passive Role</td>
<td>249</td>
<td>68%</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Role of Male Subject</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Role</td>
<td>341</td>
<td>70%</td>
</tr>
<tr>
<td>Passive Role</td>
<td>146</td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td>487</td>
<td>100%</td>
</tr>
</tbody>
</table>

It was found that 68% (249 photos) females are framed in passive role as dependent on male member, sitting and only grieving and not actively doing anything but waiting for help. But on other hand 32% women are framed in active role; rescuing their children, bringing food and helping their male counterpart. It was observed that male subject is mainly seen in active role. Out of 487 photos in which male subjects are present; in 70% photographs male subjects are portrayed in active role and 30% photographs male subjects are framed in passive role. (See table 3.2)

A Chi square test is conducted to observe difference in role of women and role of men. The results are very significant for role of women with p=0.00 and chi square value $(1) = 27.25$.

Similarly for role of men the results of Chi square test were also significant with p=0.01 and chi square value = 143.21.

The photographs are gender stereotyped in terms that women are portrayed as dependent on men and shown as passive member of this disaster. Also those women who are involved in rescue activities are not highlighted much but on other hand men are shown in very active role and they look like they are not much in trouble and their passive role is not much highlighted.

### 5. Discussion & Conclusion

Photograph is very critical when portraying disaster as it visually represents the text or news story and brings readers very close to actual event or disaster hit area and can touch their feeling by making them to experience that destruction through visuals. This study explored the framing of news on natural disaster through these visual representations that was not a neutral account of reality as Kruif (2009) argued.

The aim of the research was to determine the most prominent frames that were used by newspapers in reporting the Flood 2010 in Pakistan. Observing the media’s behavior and keeping research on media construction of reality (framing) in mind, the researcher was interested in studying the portrayal of gender stereotype in the photographs. Depiction of death in newspaper images of disaster was another point of interest to the researcher.

Visual framing studied in present study is in line with the research by Borah & Bulla (2006), who did comparative analysis on visual coverage of Tsunami and Hurricane Katrina. The prominent frames of human interest (sympathy gaining), economic (aid assisting & economic destruction) and politics, found by the researcher were to an extent similar to the previously explored visual frames. The researcher found that human interest framed is commonly used by all newspapers in photographs of flood 2010. After that economic and then political frame is common. In Urdu newspaper political frame is more dominant than English media. The reason can be many. One of them may be the difference in language. A small literate fraction of Pakistani society can read and write English. This fraction is considered to be more objective and intellectual. Therefore, English newspapers tend to be more intent and precise while reporting and presenting news. They follow western style of press publications. On the contrary, Urdu journalism in Pakistan is more relevant to its society with greater circulation. Their style of presentation and interpretation of news is different often followed by prominent political slant.
Another reason could be the editorial policy of the newspapers. It may include: to highlight or to exclude something from reality, size and placement of photograph in a newspaper, preference of one image over the other, editing practices of photojournalists in accordance with organization policies, or just the angle of shot selected out of many images taken at the same time. This is supported by the studies of Messaris & Abraham (2001), Kruijff (2009), and Fahmy (2004).

Frames of aid assistance and sympathy were most frequent in all newspapers. If these images were not shown, most of the nations would never have been moved to take action in giving millions of dollars of aid. Same is true in the case of nationwide and local aid provided by politicians, social activists, celebrities, community centers, educational institutions and general public. Government activity in relief projects was fueled up by the visual coverage.

Although it is beyond the scope of this study, it was interesting to note that captions written for the photographs also contribute towards the framing of reality. A few of the photographs were same in all four newspapers but had different captions. In addition to the difference of camera angle, size and placement, caption under these photographs were different too.

Bersak (2006), Borah & Bulah (2006) and Dear (2006) found images of dead bodies and private grief over death bodies in the visual coverage of natural and man-made disasters carried in different countries. Unlike previous researches, very less depiction of death was found in English Pakistani newspapers (4 photos) and only 27 photos of dead bodies were found in Urdu newspapers and only 58 photos out of 2156 were found framing relatives grieving over dead bodies. The difference in Urdu and English media can be because Urdu media is more towards sensationalism and English media is more inclined towards western journalism practices. But overall in all national newspapers depiction of death is very less as compared to previous studies. This shows that responsible and ethical journalism is being practiced in Pakistan. The reason may also be the code of conduct agreed upon by leading news channels and newspapers of Pakistan in year 2009. The purpose was to avoid broadcasting footages and publishing images of dead bodies and wounded people while covering the terror incidents.

The results of the present study regarding the portrayal of male & female or gender stereotype in photos of flood are supported by Fahmy’s (2004) study on portrayal of Afghan women. All four newspapers portrayed women as passive, dependent and weak victim of the disaster sitting around and waiting for others to help. While, active role of men was shown by strong and independent male sufferers of the flood working for rehabilitation. Feature photos enclosed women and children more frequently whereas, business and economic news stories were published with masculine images. Moreover there were very less photos in which women are depicted. The reason can be that Pakistan is male dominant society and here women and men in rural areas are strictly separated; so to photograph women is also much difficult as compared to male subjects. Overall these photos are gender stereotyped in all national newspapers.

Overall this study cannot be generalized as it is at exploratory level so for future it was recommended that a study using longer time frame could give a better view of the coverage. The themes of framing could be studied with more detailed categories. A study on the audience’s interpretation of visual coverage and media effects will be beneficial in learning about visual framing i.e. linking content analysis and survey data. Moreover the study has used census sampling method; so for future a detailed study can be done by using systematic way of sampling.

References


An Analysis of Political Discourse under the Communist Regime in Albania

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Abstract

The communist dictatorship created its own stereotypes in every aspect of the social and cultural life of the Albanian people for at least 45 years. It even changed elements of the Albanian language, by omitting, adding or even granting new meanings to the lexicon of our language. The acts of speech, at least during the direct regime of Enver Hoxha, were filled with clichés and formulas, which were coined to meet the changing need of social conditions as well as the need of authorities to establish control. "The wooden language", rhetorical strategies and techniques used in political discourses of that time have altered the face of Albanian culture and affected Albanian thought pattern. These interferences still can affect our language; so it is our job to study the phenomena and to know more about the mechanism that affects our language.

Keywords: political discourse, speech acts, communism, slogans, rhetorical strategies, indoctrination.

1. Introduction

Politics evolves alongside with the language, relying on it and utilizing it. A political phenomenon becomes tangible and discussable only after it has been expressed in words. The way political reality is perceived is therefore to a large extent determined by the basic concepts of political discourse, political formulas and clichés. Abundant academic literature describing the relations between political realias and their reflection in the language speaks for the correlation of these two phenomena: politics and political discourse. It's noteworthy, that political discourse displays "primacy of values over facts, prevalence of persuasion and evaluation over information sharing, and the emotional over the rational" (E.I.Sheigal, p. 46)

Language does not simply write and think for me, it also increasingly dictates my feelings and governs my entire spiritual being the more unquestioningly and unconsciously I abandon myself to it. And what happens if the cultivated language is made up of poisonous elements or has been made the bearer of poisons? Words can be like tiny doses of arsenic: they are swallowed unnoticed, appear to have no effect, and then after a little time the toxic reaction sets in after all. (Klemperer, 2002, p. 15)

Scholars have shown unlimited interest to how language functions in totalitarian and authoritarian societies. In political science, the term "totalitarianism" (from the Latin “totalis,” entire, whole) is used to describe control over the entire social system, including all of its elements, such as people and their minds. From the point of view of communication, the most significant characteristic of the totalitarian regime is that its communication model has the format of a monologue. In other words, the ideal (toward which the society is striving) presupposes a clear, universal communicative hierarchy where one person speaks and the rest listen. Control over the dissemination of political information is an important factor in the definition of a political regime: authoritarianism and totalitarianism are characterized by a stringent control over the information flow, while democracy presupposes free public flow of information.

The main characteristic traits of totalitarianism are the ideological background and rationalization of the public consciousness, referred to by some researchers as the total politic suggestion of the mind (Vehbiu, 2007, p. 25).

2. Wooden language in the political speech acts under totalitarianism.

The language is not only conservative, but also a democratic element of the culture of a society. The totalitarian regime encouraged the use of various elements of what is usually called "wooden language". Beyond drawing on new models that were desired but not understood, we argue that old symbols were also employed in "revolution" myth-making in the form of wooden language. As previously discussed, under the communist regime, official propaganda became increasingly severed from empirical reality. As such, the political discourse moved further and further toward what we
consider wooden language. As Ely and Stoica argue in the Romania’s case, wooden language at a first glance seems to be flowery and grandiose, yet, in the end, consists of empty words that are used to “lift the human spirit” and, at the same time, mask the reality of the situation. Anybody familiar with political discourse is familiar with wooden language to some degree (Ely & Stoica, 2004, p. 105). Phrases such as “Albania’s Brightest and Luminous Future!” still ring in the ears of many Albanians today. Marková, on her side, claims that this language appears neutral; it does not have the same capability to enrich itself. She argues even that it was not only the case of the totalitarian regime in the Soviet Union, but also in the other countries behind the Iron Curtain. Words like kulak, enemy of the class etc. became powerful gadgets used to control the masses. This power weapon not only affected societies like the Soviet one or the eastern countries, but even communists in West (Marková, 2003, p. 98).

In this framework, if we carefully consider the conveyed message, in 1981, a year in which it was very difficult for people to provide themselves with clothes and food, when food rationing had reached its peak, in the VIII Congress, Enver Hoxha declared great economical growth, increase in the circulation of goods and even in the production of cereals and other kinds of food (Hoxha, Raport i Kongresit VIII, 1981, pp. 12-13). Meanwhile he asks the people’s attention to deal with the consequences of “the betrayal of the Chinese revisionists”. As well as this, great importance was paid to the role of the Party and sometimes the combination “Party – Collectives”, was made just to show that something new was either realized formally or not realized at all. If we took into consideration the totalitarian Albanian according to the Reiznikov’s definition of wooden language or the Newspeak described by Orwell in 1984 (Orwell, 2004, p. 383; Reznikov, 2001, pp. 42-43), we may conclude that it suffered all the characteristics given by them. The words used in the communication between the political leaders and the audience was limited in number, those mostly uttered were: the Party, leadership, Political Bureau, Social – Imperialism, Revisionism, Collectives, and New Man etc. Their original meaning had been lost and they had nothing in common with the meaning the same words had in other languages. As an instance, Hoxha’s New Man was a far cry from the same noun phrase used originally in the Roman Empire, where it was firstly encountered as a concept. The New Man in Rome was a representative of Plebe, who had enough richness in his possession so as to be part of the Senate, whereas, on the contrary, Hoxha’s New Man was depersonalized, without property, thought and opinion of his own, in short, he was not a human being, but a humanoid creature, whose physical appearance was the only component which made him be called an individual (Korça, 2012). The Collectives was not the human community, a social group, but instead it was a group of people without identity and belief under the leadership and the severe control of the Party.

3. The clichés used in totalitarian language.

Generally speaking, the discourse is developed within the framework of formulating and transmitting thought and opinions according to clear forms and schemes, closely linked to the elements of expressive logics. A totally different phenomenon occurs in a language, which develops limited expressing abilities of the individuals, based on denial of the conscious elementary right he has, freedom of speech and thought. As a result of these, there would be created some forms which do not respond to the expressive logics of a language (Vehbiu, 2007, pp. 178-179). A system which does not allow the attributes of free thought and speech has its own system of functioning, conditioning, censoring and self - censoring. Albanian language under totalitarian regime didn’t have the luxury of being free, conscious and independent; so the public expressions didn’t follow certain linguistic patterns, but instead, a well – defined order in hierarchy and form. The words used as part of a typical formula of the political communication lose their role as a message and gain rhetorical nuance. From this point of view, when word perception of clichés is required, we observe that the denotation meaning becomes connotative. To provide an example, we may refer to a part of Enver Hoxha’s political speech so as to observe the use of clichés in totalitarian Albanian language:

*Under the Party’s leadership, with unquestionable belief of its right ideology, the labor class, cooperatives peasantry, the youth and intelligence, worked hard both physically and mentally to successfully overcome the difficulties of the socialist growth, and the ones caused by the foreign enemies as well.* (Hoxha, Raport i Kongresit VIII, 1981, p. 3)

In this sentence we can easily identify and analyze how the denotative meaning becomes connotative. In the years 1977 – 1981, the Party leadership, seen in a narrow point of view, denotes the Albanian Executive and Legislative, but in these case the meaning is limited to just a more privileged group of individuals who made up the Political Bureau. The “socialist growth”, directly denoted the economical development, but in a wider sense of the word it referred to the improvement of living conditions, social emancipation etc. As we can see, all the phrases used in this paragraph have not only lost the messaging ability, but they have also been transformed into new elements, having lost their first meaning.
Those lexical meanings were part of the semantic system, which could have flourished in another universe, in which the reality was not hidden after the words and phrases, whose meaning was lost in the indoctrinated minds and psychological barriers of fear. (Reznikov, 2001, p. 109)

The clichés have evidently depleted the political communication. Thus, language became the subject of ideology, rather than a means of expression. In these circumstances, the language is studied under the conditions of indoctrination and sometimes by even attributing to the main leader the qualities of a master in linguistics (Thomai, 1984, p. 174). Jani Thomai in his “Lexicology of Albanian language”, estimates that in the thirty – five thousand pages published by the dictator, more than five thousand idiomatic phrases are used. He goes on with mentioning some examples such as: the water rests, the enemy doesn`t, in one hand the pickax, in the other the riffle because if the enemy is given the opportunity, he stabs you. This phenomenon clearly demonstrates that the use of fixed formulas by Enver Hoxha and then their continuous repetition, handled an exponential effect. If we keep in mind the simple fact that until 1991, when the school texts were reconsidered, Hoxha`s idioms and clichés were present in these ones of every level. In such cases we may definitely understand the influence that the totalitarian regime in general and Enver Hoxha`s speeches in particular had in the use and creation of formulaic language, clichés and obvious boundaries through which could and had to be conveyed the political messages.

4. Other changes in the Albanian lexicon.

Every social and political period of time produces its own lexicon. In these circumstances, the changes that have occurred within the English lexicon cannot be left out. Several neologisms were introduced; some words or phrases have changed either their semantic meaning or have achieved new nuances of meaning, borrowings from other languages were introduced in the existing lexicon etc. These are some of the characteristics of the Albanian lexicon under the totalitarian regime.

The language used by Enver Hoxha ranges from the use of traditional Gjirokastra`s variant of tosk dialect and some borrowed or new words which could meet the requirements of the new social context. When taking into consideration borrowings, as a vital part of the lexicon of that time, we may discuss about words such as: imperialism, revisionism, kulak, pioneer, class struggle, proletarian etc. But in all cases, despite of being borrowed words, they have also been adapted in both context and form to the Albanian case. He could use even distorted borrowed words in some cases such as inteligjencien meaning intellectual class. (Hoxha, Raport i Kongresit VIII, 1981, pp. 3, 63) Or in other cases he found out kinds of Marxist divisions or revisionist factions amongst the communist movements around the world. (Hoxha, Kundër revizionizmit modern., 1979, pp. 4-7)

On this ground, excluding the terms imperialism and revisionism, whose usage ought to and could only be developed within the same context as predicted by Marx, Stalin and Lenin; the other terms as mentioned above are detached by the original contexts of the respective languages. For instance, pioneer a person who is the first to study, develop a new area of knowledge, culture etc, a person who is the first to go somewhere and start living there etc (Oxford Dictionary, 1995), into a person who was a member, aged 10 – 15, of an organization with mainly political background (Hoxha, Për arsimin, 1979, pp. 33,36,74), but with some educational elements as well. Proletarian is another term of Marxist literature whose meaning has acquired some semantic changes from a person, who in ancient Rome was so poor that had in possession just his children; into an individual who was part of the ruling class in the dictatorship of the proletariat, at least regarding the law. Another interesting case was the term kulak, obvious borrowing from the Bolshevik Russian and its usage in many cases in a perfect concordance with its roots.

Words, as comrade or patriot etc. changed their usage and in some cases even their meaning. A comrade used to be a friend; at the time in discussion, it meant anyone; the word had a social connotation, it became a way to address someone. A patriot was not a man who dedicated his everything to the country and the nation; he had to be a perfect follower of the Party directives. A worker was not only somebody who worked; he was a member of the proletariat and one that had not only the right to be part of the class struggle but had the obligation to bring it in a higher level. The volunteer was another word in Albanian that magically became a symbol of exploitation of the unpaid work of persons who were forced to do such work (Samara, 2008, p. 133).

The phraseology units were used in a great range during the political discourse. Phrases as “open hearted”, “self-denial spirit”, “the water rests, the enemy doesn`t”, “New Albania”, and “the people`s power” (Hoxha, Letra të zgjedhura, 1985, pp. 15-21) and so on others were created on the basis of the Albanian lexicon or proverbs and already in use phraseology units (Vehbiu, 2007, p. 147). In all cases their frequent usage turned them from words with a deep impact in the audience in words that were just used in formal communication. This tendency has been documented even by Jani
Thomai (Thomai, 1984, p. 174). In such way the influence of the usage of clichés was not only encouraged by the political leadership but by the academic structures as well (Petersen, 2004, p. 16).

5. Findings

In a dictatorial system, the communication between the ruling caste and the population has got political and pragmatic importance. The 45-year-old history of communist dictatorship in Albania demonstrated that in most cases the communication of the political will, political message and ruling caste decisions had to be made not through common means of communication in a society, through the evolving language, but through some standard immutable forms, from the top of the political pyramid to the humblest individual. As a result of this, the population seemed to be categorized into two main groups: “us”, all the patriots, communists, the members of the democratic front etc. and “them”, the internal or external enemies of the class.

Thus, from the point of view of language, the totalitarian discourse displays the following dominant characteristics: “orating”: prevalence of a declamatory style and a fervent campaigning tone; common usage of ideological indoctrination, attribution of symbolic meanings to core political concepts, creation of ideological expressions, borrowing of foreign concepts, modifying till alienation certain Albanian words, potentially different in meaning from the actual meaning of the words; exaggerated abstraction and scientism, active use of generalizations at the expense of logic; heightened criticism and fervor, not always genuine; slogan-like style, passion for mantras; claims to absolute truth. These truths were so absolute that nothing existed beyond them, so that no words could describe those truths that didn’t exist.

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The Impact of Neo-Realism in Turkish Intellectual Cinema: The Cases of Yılmaz Güney and Nuri Bilge Ceylan

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Abstract

Italian neo-realism is the main source of inspiration for many film movements and auteur filmmakers trying to construct a “counter-hegemonic” film language against the dominant cinematic practices. This paper investigates the impact of neo-realism upon the early films of Yılmaz Güney and Nuri Bilge Ceylan. This impact is certainly not monolithic and one dimensional, and like the neorealist movement itself, it is multifaceted and colorful. After the coup d’Etat of 1960, social realist filmmakers had already introduced neorealism to Turkish film industry but it took another ten years for a mature and authentic realist political film language to develop. So Yılmaz Güney was among the first filmmakers in Turkey who combined documentary verism and political editing. Some twenty years later, Nuri Bilge Ceylan chose to adopt another “realist” position combining minimalism with a very personal and idiosyncratic film language.

1. Introduction

Neo-realism is an important film movement developed in the aftermath of the second world war in Italy. Mostly representing the spirit of “resistance” to the Fascist forces, and a wish to rebuild a country devastated by the war, neo-realism emerged in an atmosphere of heated intellectual debates. It was also made in unfavorable financial conditions and thus relied mostly on nonprofessional actors and minimalistic stories. It aimed at “going to the streets” in both senses: a) to be politically active and b) to reject the conventions of studio based filmmaking of Cinecitta Era. Neo Realism has also inspired many film filmmakers and film movements around the world. This study aims at comparing two important Turkish filmmakers who applied neo-realistic principles in some of their films. Focusing firstly on Yılmaz Güney’s Umut (Hope, 1971), the paper will look at a more politically “engage” application of Neo-realism following in the footsteps of Social Realist movement which took place in the aftermath of 1960 Coup d’Etat in Turkey. Secondly this study will look at a contemporary Turkish filmmaker Nuri Bilge Ceylan who applied a neo-realistic technique in his earlier films (The Town, Clouds of May and Distant). Ceylan, in contrast to Güney, preferred a more minimalistic style and refrained from engaging in bold political statements. He mostly relied on an imagery borrowed from Iranian cinema which, in its turn, shows the naturalistic impact of neo-realism.

2. Neo-Realism

Between 1945 and 1953 a total of 822 feature films were made in Italy. Of these films, in the widest sense, 259 were associated with neo-realism.¹ Although it is less than a third of the total film production, this is still a huge number, given that the remainder were unimportant commercial “genre” films such as comedies, historical dramas or love stories. In this period, all of Italy’s respectable filmmakers were in some sense involved in the politics and aesthetics of the new wave reflecting the artistic counterpart of bourgeois progressivism, reformism and the ensuing optimism in the political sphere.

Rome, Open City directed by Rossellini in 1945 is generally considered as the starting point of the movement. There are different views as to the end of neo-realism, but Umberto D of De Sica made in 1951 seems to be the culminating point of the wave. Apart from the changed socio-political conjuncture (the advent of the Marshall Plan and the starting of the Cold War), which made it impossible for the post-war consentual politics to exist in 1951 Umberto D also metaphorically symbolizes the end of the neo-realist “utopia” by the story of the old and abandoned Umberto Domenico. It would of course be wrong to think that the new aesthetic credo abruptly ended in 1951. Many films made until late 1960s

reflected clear influences of neo-realism. Especially the early films of Fellini (The White Sheik, I Vitelloni..), Antonioni (Story of a Love Affair), and Pasolini (Accatone, Mamma Roma, Hawks and Sparrows..) created discussions as to whether neo-realism should be considered completely dead or still alive. In fact, neo-realism became a powerful aesthetic tradition in Italy and its legacy never totally disappeared from the artistic subconsciousness of the new generation. Combining itself with the rising bourgeois culture and high modernism, neo-realism evolved in the 60s into a beautiful symbiosis between the “humble” and the “personal”. But the “genuine” movement itself certainly ended in the early fifties with the dissolution of the post-war élite coalescence and the ensuing revolutionary fervor.

Neo-realist films made between 1945 and 1951 can be thematically categorized into three. One group of films was based on the stories of war and the Resistance. Including the famous trilogy of Rossellini (Rome, Open City, Paisa, Germany Year Zero), Vergano’s The Sun Rises Again, Luigi Zampa’s Difficult Years, To live in Peace and Alberto Lattuada’s Without Pity, these films generally reflected the tragedies of the war and the unity of the Communist and Catholic partisans. The directors themselves belonged to different political camps and the cinematographic convergence of their themes and perspectives itself reflected a political act of unity. Another group of cinematographers focused on the agricultural problems. The problem of the South (Il Mezzogiorno) still unsolved by the new Government, the absence of land reform and the exploitation of the peasants were the main subjects of the films. These directors often reflected the perspective of the PCI as in those days, one of the major issues of the left in Italy was the Southern question. Visconti (La Terra Trema), De Santis (The Tragic Hunt, Bitter Rice, No Peace Amidst the Olives) together with Lattuada (The Mill on the River), and Pietro Germi (In the Name of Law) made the most important films on the agricultural problems of Italy. The third group of films reflected the urban problems. Unemployment, prostitution and child abuse were the pressing problems of the big cities treated mostly in the films of Vittorio De Sica (Shoeshine, The Bicycle Thieves, Miracle in Milan and Umberto D). These films highly disturbed the Italian bourgeoisie and De Sica was often accused of “rendering bad service to his country.”

“Neo-realism” as an avant-garde style was largely confined to the realm of film, but its “spirit” was shared by many aesthetic trends of the era, parallel to the sociological factors of the immediate post-war period that underlined the formation of such a revolutionary style. Neo-realism was a “state of mind” that any progressive intellectual was supposed to adopt. The basis of this new mentality was a kind of “futurism”, a wish to break with the Mussolian aesthetic credos of the past. According to the four point program outlined in Barbaro’s well-known 1943 essay in Cinema, neo-realist films were to:

“…1. Get rid of the naïve and mannered clichés which have formed the larger part of Italian films,
2. Abandon those fantastic and grotesque fabrications which exclude human problems and the human point of view,
3. Dispense with historical set-pieces and fictional adaptations,
4. Exclude the rhetoric which pretends that all Italians are inflamed by the same noble sentiments…”

Neo-realist directors often rejected the traditional conventions of the film industry. The use of nonprofessional actors mostly coming from similar walks of life as the protagonists of the films, on-location shooting rather than studio settings, the mise-en-scene technique highly praised by André Bazin were the major formal characteristics of this new wave. According to Bazin, the “mise-en-scene” of neo-realist films was a peculiar application of the principles of Orson Welles and Jean Renoir with their “penchant for deep focus photography in sharp contrast to the ideologically inspired montage of Eisenstein.” For the neo-realist directors, the “depth of field” gave the audience the chance to choose among the complex elements within a framed image and therefore to go beyond the surface look at the order of things. Bazin emphasized that this movement in principle respected the ontological wholeness of reality by opposing the manipulation of reality in the cutting room.

The choice of nonprofessional actors was more than a simple concern for originality. It reflected a political as well as artistic position that denied the star system and thus the “personality cult” and “heroism” upon which the fascist ideology was based. Says Cesare Zavattini, one of the most prominent theorists of neo-realism:

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“I am against exceptional persons, heroes. I have always felt an instinctive hate towards them… Heroes create inferiority complexes throughout an audience. The time has come to tell each member of the audience that he is the true protagonist of life. The result would be a constant emphasis on the responsibility and dignity of every human being. This is exactly the ambition of neo-realism: to strengthen everyone; and to give everyone the proper awareness of a human being.”

The new movement also insisted that the filmic story be based on daily existence. Similar to Siegfried Kracauer’s notion of “found story”, Zavattini proposed the concept of “cinema of encounter” meaning that the subject on the spot would be preferable to a constructed subject. Very much in the same humanist spirit with Kracauer, Zavattini emphasized that the most important mission of the cinema was to create a dialogue through social awareness and contact. Zavattini proudly declared that (as a script writer) he could make a spectacle out of an ordinary situation:

“For example: let us take two people who are looking for apartment. In the past, the filmmaker would have made it the starting point, using it as a simple and external pretext to base something else on. Today, one can use that simple situation of hunting for an apartment as the entire subject of the film. It must be understood, of course, that this is true only if the situation is always emphasized with all echoes and reverberations which are present in it.”

Neo-realism was a rich and complex cultural phenomenon of the post-war reconstruction period. Not surprisingly, it was adopted by many contradictory intellectual circles, each defining it according to its own political and ideological purposes. Thus Marxists emphasized the social and political commitments of neo-realist films. For them neo-realism depended above all on “content”. The famous Marxist critic George Sadoul has written, “From 1945 on, Italian neo-realism emerged as an essential phenomenon of world cinema: it was no one’s offspring; it was created by a people and by a nation in the forward march of history and the clash of social struggles…” It was the first massive experience of a “social cinema”. It contributed to the formation of a popular bloc and gave the chance to those formerly deprived of any means of expression, a chance to raise their voice.

Catholics on the other hand, emphasized the “spiritual”, “human” aspects of neo-realism. The famous ex-catholic priest Ayfre said that the basis of neo-realism was a dialogue between man and the reality. This reality was never expressed with distance and coldness but always embodied a fraternal curiosity. This dialogue was not possible under constraint. Thus neo-realism was truly a style of “democracy” and was unthinkable in totalitarian systems. We also know that early Fellini and post 1947 Rossellini opted for religious realism in their works. As for modernists and phenomenologists, neo-realism was basically defined on the basis of “formal” criteria. They often quoted Italo Calvino who said that “the musical score is more important than the libretto.” This multivocal interpretation of neo-realism is also the basis for its varied forms of adaptation in world cinemas. Some adopted its political emphasis (anti-Hollywood, thus anti-imperialistic premises, anti-fascist thus progressive elements, antibourgeois frameworks), some, on the other hand, preferred to underline its humanistic and minimalistic features.

3. Social Realism in Turkey

Neo-realism had a great impact upon the Turkish Cinema. Between 1960 and 1965, within the newly established Turkish Film Industry named Yeşilçam (Pinetree) arose an important film movement known as “Social Realism” (Toplumsal Gerçekçilik). Like the French Nouvelle Vague and the Brazilian Cinema Novo, Turkish Social Realism was also related to the legacy of Italian neo-realism whose leftward oriented politics and realist-minimalist aesthetics fitted well with the socio-political concerns of a new generation of Turkish filmmakers eager to develop a “national” film language. Until 1960, (the year of the Coup d’Etat) the Turkish commercial film industry known as Yeşilçam (Pinetree) had only produced
commercial, “genre” films. After 1950, a young generation of filmmakers like Lutfi Akad and Metin Erksan started to get curious about “art cinema” and they wanted to develop a national film movement in Turkey following the model of Italian neo-realism. But due to the existing mechanisms of censure of the Democrat Party era, they had to wait until the “progressive” coup of the 27th of May 1960 which brought some freedom to the country with the change of the Constitution and the implementation of certain welfare measures. Reminiscent of the Italian neo-realist movement whose political content could only become manifest as the “anti-fascist” Catholic-Communist Alliance was made (following the fall of Mussolini régime, the Italian Communists led by Togliatti and Christian Democrats headed by De Gasperi formed a political alliance that lasted until early 1948), Turkish social realism in film was directly linked to the overthrow of rural-liberal Adnan Menderes (leader of the Democrat Party that ruled the country for 10 years) by the military coup of May 1960, and the adoption of a new social democratic Constitution in 1961. As Halit Refiş, one of the leading figures of the movement puts it:

“...The Constitution of 1961, the newly founded political parties, and the elections created a suitable socio-political atmosphere for us to analyze from a different perspective the pressing problems of our country. The political activism that followed the May 27th coup d’Etat quickly spread to the realm of film. It created the necessary conditions for the birth of a film wave that is sometimes called “social realism”, focusing on the structural problems of our country and analyzing human interactions within different social layers...”

Thus between 1960 and 1965, a cinematic movement known as “Social Realism” developed in Turkey. The Films of Halit Refiş, Metin Erksan (who won Golden Bear in Berlin with Susuz Yaz-Dry Summer in 1963), Ertem Göreç and Duygu Sağiroğlu were the best examples of this short lived movement. Like its Italian counterpart, the Turkish social realism in cinema was deeply embedded in politics. Particularly the Neo-Kemalist Yön movement and the formation of TİP (Turkish Labor Party) had great impacts on the filmmakers. The “progressivist” and “populist” tendencies of the post 1960 élite (also known as the “neo-Kemalists”) were clearly present in the movement with an increased dose of universalism and class politics.

4. Yılmaz Güney

In the 1970s Yılmaz Güney (already known in the popular Yeşilçam film industry as the “ugly king of Turkish cinema”) emerged as an “engagé” filmmaker and applied some of neo-realism’s basic principles in his films (especially in Umut (Hope,1970) and Sürü (Herd, 1978). But Güney was much bitter in his social criticisms and favoured a more pronounced universal understanding of Marxism (in contrast to the “local”, Kemalist leftism of the social realist filmmakers). His films were, thus, in many cases, closer to “socialist realism” than the “critical realism” of the neorealist tradition. As emphasized above, within neo-realism there were filmmakers closer to the notions of class politics as well as those favoring a more “humanistic” stress upon solidarity. In his earlier films such as Umut (Hope, 1970) Yılmaz Güney was, thus, more sympathetic towards the bitter agonies of the lower strata.

Born in 1937, Yılmaz Güney’s real surname was Pütün. He was one of the seven children of a poor family of Kurdish descent living in Adana. So he was of Kurdish background but this did not occupy a central point in his political thinking as he had discovered “socialism” before Kurdish Nationalism. But there was always a reference to the harsh life conditions of Kurds as he knew from the lives of his mother and father. To reflect the Kurdish misery, he often focused on feudalism and patriarchal social order which is quite characteristic of Traditional Kurdish life. There was always a background criticism directed towards the official governmental policies towards the Kurds which pushed them towards smuggling or banditry. But this was nevertheless quite indirect as his analysis was often “class-based”. So he was a socialist and we can see it in many forms in his films. But he also confessed in many times that he was not able to make films as exactly as he wished because of the pressures of state censorship. So he found alternative ways of expressing his thoughts. Roy Armes explains that instead of i.e. saying “organize yourselves” Güney would show the dead end of “individualism” (how bandits can never get organize and really change their lives as they are always mesmerized by false codes of heroism blood feuds and vendettas). This was quite similar to some of the neo-realist films which for political and social reasons refrained from making bold statements and preferred to show in a “popular as well as intellectual” manner the agonies of the poor.

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Before he became an acknowledged intellectual filmmaker, Güney was a popular actor and director within Yeşilçam. Similar to Vittorio de Sica who had a considerable fame as a popular actor, Güney was the “ugly king of Turkish cinema”. He was known within the “Social Realist” circles, but as his political engagements were deemed to be more dangerous by the political authorities, he was jailed in 1961 for communist propaganda. But this propaganda was not something found in his films which were, at that time, commercial Yeşilçam films. After he was released from prison he started to work with small production companies and created the myth of the “lumpen king”. He became the king of the “periphery”, of the Anatolian male migrants whose identity was in conflict with the “urban-middle class” identity propagated in many commercial films. In the early stage of his career, thus, we see that he was more conditioned by the audience and its expectations. It gradually started to change after 1965. Starting with Lutfi Akad’s film Hudutların Kanunu (The Law of the Borders, 1966) he departed from the exaggerated melodramas of Yesilcam and brought a more balanced down to earth look on his characters. After 1970 we see a totally new Yılmaz Güney. Between 1970 and 1984 five of his films won international acclaim: The Hope (1970), The Friend (1974), The Herd (1978), The Road (awarded Golden Palm in 1982), The Wall (1983).

Umut (Hope, 1970) is Yılmaz Güney’s first throughoutly artistic work and it also signals the birth of the so-called “new Turkish cinema” (which will become the motto of Nuri Bilge Ceylan’s generation). Hope is also Güney’s closest film to Italian neo-realism. In summary, it tells the story of an impoverished horse cart driver Cabbar (acted by Güney himself), who lives amidst poverty in Adana and ceaselessly dreams of a better life for his family. When he loses the horse because of a wealthy and careless driver, he falls into despair. Rejecting the invitation to join some of his fellow workers who plan for political action, Cabbar prefers to try his chances first in the lottery and then in rumors of a buried treasure. He cannot find the alleged buried treasure for which he abandoned his suffering family and the film’s dark ending leaves no “hope” for the future.

The film has many points in common with the masterpieces of Italian neorealism. Firstly it tells the story of ordinary people portrayed in their real environment facing real problems. As emphasized by Zavattini in his thesis on Neo-Realism, in Hope there are no extraordinary characters to identify with. The film is shot on location around Adana with the participation of local people. The plot is simple and although very rich in analytical layers it can be understood by a wide range of people. The plot also has some affinities with De Sica’s Bicycle Thieves. Similar to Ricci who loses the bicycle and consequently falls into despair, Cabbar loses the horse and undergoes great hardships. The recourse to fortune tellers is also a background motif in Bicycle Thieves that has a much greater weight in Hope. The film is also reminiscent of Luchino Visconti’s great epic La Terra Trema whose main protagonist Ntoni is condemned because of his individualistic fight against the wholesalers through the loans he gets from a bank. Cabbar’s misfortune can also be partly understood in this vein. For Güney, instead of trying to get rich through irrational dreams, Cabbar should have joined his fellow workers. Although Hope gets darker and darker towards the end and diverges from neo-realist aesthetics which often leaves some optimism for the future, it can nevertheless be considered as the first example of a Turkish new realistic cinema.

5. Nuri Bilge Ceylan

One of the most outstanding filmmakers of the new Turkish Cinema who won an international acclaim through Cannes such as Güney, is Nuri Bilge Ceylan born in 1959. Contrary to Güney, Ceylan, had very personal choices and refrained from getting popular in the initial stages of his directing career. In his “Trilogy of Province” composed of Kasaba (The Small Town 1997), Mayis Siktıtsı (The Clouds of May, 1999) and Uzak (Distant, 2002) he preferred a “minimalistic” cinema reminiscent of Kiarostami and Ozu’s existential humanism as well as neo-realism. Thus contrary to Güney’s pronounced political tone, Ceylan borrowed neo-realism’s phenomenological principles including minimalism, modesty and documentary verism.

Ceylan’s childhood was spent in Canakkale Yenice where his father worked as an agricultural engineer after his degree from US (a much debated issue in The Small Town-is it rational to go back to his native village after a degree from the US?) His happy childhood in Yenice has been very important for Nuri Bilge Ceylan and he referred to it over and over in his Trilogy of Province. The beautiful landscapes and nature of Yenice and his nostalgia for his lost childhood are recurrent themes of his earlier films. From Small Town to Distant all his films are almost exact autobiographical replicas of his agony and pain from getting away from this harmonious life within nature. Ceylan’s quest for this childhood innocence

was not limited to the plots of his films. Loathing all kinds of “fakeness”, he refrained from engaging professional actors in his films. In his first trilogy he casted his real family (his mother, father, cousin, wife etc.) as the main protagonists of the films. He gave almost no press interviews until Distant's unexpected success at Cannes. As he did not want to burden himself with bureaucratic details, he did not apply for financial support from Ministry of Culture. So his initial films were made with unbelievably small budgets. Having a strong background in photography, he embraced the Kracauerian notion that “film is ontologically a continuation of photographic realism”. So tightly rooted in daily existence, his initial films of Provincial Trilogy did not have developed plots but had basic themes enriched with stories found within simple details of everyday life. So in the Small Town, we are simply invited to feel and share the boredom of a young man who wants to leave his native village. We are also given the chance to contemplate the beautiful photographic details of life within this small town. In Clouds of May, Ceylan tells in a quasi ciné-verité fashion how he shot his previous film, the Small Town. The difficulties he had with his family while shooting the film, the impossibility of a healthy communication with the villagers and his father’s deep passion for his land are the main themes of his second film. The harmony between man and nature plays a great part in Clouds of May contrary to Distant (the last film of the Trilogy) which reflects Ceylan’s personal alienation within the big city and his total rupture from Yenice. In Distant set in Ceylan’s own appartement at Changir Istanbul, two cousins, separated at the end of Clouds of May reunite, but this reunion turns into a power game between the hopeless young man from Yenice and his successful but unhappy elder cousin.

In all the three films comprising the “Trilogy of Province” Ceylan uses the same stylistic techniques reminiscent of neo-realism. Like Güney and the masters of neo-realism, he prefers nonprofessional actors and he tries to truthfully reflect the surrounding physical reality. But contrary to Güney who, nevertheless, wished to give a certain subjective political direction to the viewers, Ceylan was obsessed with “minimizing the lie of cinema”. This wish to totally refrain from manipulating or deceiving the viewers pushed Ceylan to construct very minimal stories comparable to the innocent “slight dramas” of Abbas Kiarostami. As Ceylan also admits, for his “Trilogy of Province”, the “slight narrative” cinemas of Yasujiro Ozu and Abbas Kiarostami were very important. Thus, until the making of Climates (2006) which signalled the end of Ceylan’s “redemption of physical reality” Ceylan’s cinematic universe included:

a. A deep passion for classic photography as the ontological source of realistic cinema. We do not know if Ceylan was familiar with the work of Siegfried Kracauer, but his earlier films were good examples of Kracauerian notion of cinema as the “physical redemption of reality”. Kracauer, a prolific German writer and philosopher, had written in the 1950s that, as exemplified in many neorealistic films and also praised (with a somewhat different emphasis) by the French critic André Bazin, the “true” cinematic film should have a simple story, not overwhelming the visualization of physical reality. This story should have “permeability” which leaves room for spontaneity and continuity (the story should not “end”). It should be based on th earth (material existence) and the ordinary details of simple people. This is also a “contemplative cinema” in Dabashi’s words, which reveals the “beauty in the benign brutality of being”.

b. A political tone in an apolitical guise. Contrary to Güney, or some neo-realist filmmakers such as Visconti or De Santis, Ceylan hardly talks about anything political. But by rejecting the present culture of consumption and excess through humble and slowly proceeding silent stories, by painfully trying to avoid the lie of cinema through minimal editing, sound, camera jobs and acting, by radically challenging the established norms of popular cinema through totally personal works, Ceylan is political in his first films, if not with “what” he says, but with “how” he says.

c. A background individualism and pessimism later to develop into total rupture from social action. Even in his earlier films praising harmony, nature and modesty, Ceylan is pessimistic about the possibility of true human solidarity. Compared to Kiarostami or the masters of neo-realism, his characters are generally lazy and more selfish. The degree of this selfishness increases dramatically from The Small Town to Distant, and the former’s rather humorous small human defects turn into variations of sadism in the latter. And from Climates onwards, Ceylan is carried away into new modes of nihilism which estrange him further from this childhood innocence he was once desperate to catch in cinema.

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17 Siegfried Kracauer (1960).
19 Kracauer (1960).
6. Conclusion

This study attempted at analyzing the impact of Italian neo-realism upon Turkish “intellectual” cinema by focusing on the works of two auteur filmmakers: Yılmaz Güney's *Hope* and Nuri Bilge Ceylan's Trilogy of Province. The purpose was to show the peculiar trajectory of this influence from social realism to Ceylan's personal work, as well as to describe and underline the different roads filmmakers can embrace within the rich tradition of “realism”. In that vein, it was pointed out that while both Güney and Ceylan used neo-realistic aesthetics such as the use of nonprofessional actors and accurate reflection of surrounding physical reality, they diverged in their approach to the “message” their films are supposed to give. Similar to the variations found within the original Italian school (some neorealists preferred more political subjects while others opted for simple humanism), Güney applied neo-realistic principles to increase the dramatic effects for political purposes unlike Ceylan whose minimalism revealed his deep longing for a lost childhood innocence.

References

Organizational Resilience: 
An Investigation of Key Factors that Promote the Rapid Recovery of Organizations

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Abstract

The purpose of this study is to identify psychological factors that facilitate quick restoration at organizational scale from temporary trauma or distress due to unexpected catastrophic events. The research is based on the food manufacturing company located in Onagawa, Miyagi prefecture, greatly suffered from The Great East Japan Earthquake in 2011. Questionnaire survey on all workers was conducted followed by interview with Managing Directors of the company. The interview results suggest that a critical factor of resilience is high levels of organizational commitment among the workers at contingency event. A result from the questionnaire survey supports the improvement of organizational commitment due to higher resilience at individual level as teamwork of workers is developed in the events. These results suggest that education or training that aim at promoting teamwork under difficult situation are important to facilitate organizational resilience.

1. Introduction

The purpose of this study is to identify those psychological factors that help an organization to recover quickly from temporary dysfunction or disorder triggered by an unexpected catastrophic event. This research is based on a food manufacturing company located in Miyagi Prefecture, Japan, which experienced significant damage in The Great East Japan Earthquake in 2011.

The ability to survive and thrive in turbulent times such as an economic downturn, natural disasters and global military conflict has become a key concern for companies over the last decade. Traditional infrastructure models have focused on building a robust risk management system to minimize the probability of and impact from unexpected negative events. However, such a system can limit urgent decision-making and its execution when a company faces unexpected negative events. Therefore, the flexibility and adaptability of organizations have become more important in an environment of rapid change (Kitamura, 2011). The concept of “resilience”, which is described as the ability to be flexible and to recover from significant negative events, is currently receiving widespread attention.

In Japan, the concept of resilience has received greater attention since The Great East Japan Earthquake that caused extensive damage on 11 March 2011. Many organizations suffered direct and indirect damage or were affected in some way by the disaster. This experience has given them opportunity to acknowledge the risk of unexpected negative events and to evaluate their management structures and systems.

In addition, a number of organizations directly or indirectly damaged by the earthquake have found it difficult to secure sufficient resources to rebuild and are not yet operational. In contrast, those that have successfully achieved the rapid rebuild of their businesses with limited resources: food manufacturing company “A” is one of them. Company A is based in Onagawa, Miyagi Prefecture, which suffered extensive damage in the earthquake; nevertheless, company A restarted its operation only 10 days after the earthquake and has made a large contribution to the local community and residents.

There are number of crucial procedures and resources required for organizations to recover from unexpected negative events. It is management’s role to secure the means of recovery such as money, physical resources and the restoration of its technical systems. However, in such circumstances, it is the efforts of on-site workers that are key to the recovery of organizations. When considering organizational resilience, environmental factors in terms of financial and physical resources are not the only essential elements, psychological factors including the mental status of on-site workers and atmosphere or communication among them must also be considered. Despite the importance of these
factors, most previous studies have not empirically clarified how those psychological factors influence an organization’s recovery process. Hence, this research analyses company A’s successful rebuild process as an example of the facilitation of organizational resilience and emphasises the psychological factors in play. The aim of this analysis is to clarify the key factors that support the rapid recovery of an organization after an unexpected negative event. As part of our preliminary research, a questionnaire survey was given to all employees at company A, followed by an interview with the managing director, Mr T.

2. Organizational Resilience

The term “resilience” essentially refers to the physical ability to return to one’s original state, elasticity or flexibility. The concept of resilience is used in many academic disciplines and fields and received much attention after the 2011 Tohoku Earthquake. In addition, there are a number of definitions and concepts for resilience. In the field of psychology, the definition by Masten, Best and Garmezy (1990) is widely used: resilience is “the process of, capacity for, or outcome of successful adaptation despite challenging or threatening circumstances”. In Japan, Oshio, Nakatani, Kaneko and Nagamine (2002) consider resilience as “mental restoration ability” and characterized as the “internal ability owned by individuals who can flexibly cope with and recover from temporary mental illness as a result of unexpected contingency”.

Ergonomic studies have also recently integrated the concepts of resilience from a macro perspective. There is the chance for any organization, irrespective of its size or type, to confront a variety of negative events, either internally by human error, technically due to a system collapse or externally as a result of a natural disaster or the failure of a corporate partner. The importance of resilience falls on the ability of overall recovery in terms of flexibility in coping with the event and how to minimize damages and recover from such sudden and major negative events. In ergonomics, the concept of resilience engineering focuses on how to optimize resilience with the ability of a system to adjust, monitor, preserve and sustain its functioning (Hollnagel, Woods & Leveson, 2006). In contrast to psychological studies, resilience engineering is more focused on short-term recovery. This is because a quick recovery is necessary to minimize costs resulting from damage (Kikuchi & Yamaguchi, 2012).

Ergonomics looks at the overall circumstance or situation of an organization whereas psychological studies focus instead on the mental recovery of individuals. A combination of the advantages of both ergonomics and psychology enables a broad approach regarding organization resilience from a psychological perspective. This research describes organizational resilience as the resilience retained by an organization that enables rapid recovery from an unexpected negative event that has caused a temporary catastrophe for an organization. This is considered different from the concept of individual resilience widely discussed in psychological studies.

The subject in this research, company A, is an ideal example of an organization that possesses a high level of organizational resilience. This is demonstrated by its quick recovery from significant damage and the recommencement of its operation after the earthquake.

3. Preliminary Investigation

3.1 Objective

An interview with Mr T, the on-site leader when the earthquake struck, was conducted to examine the essential factors that support organizational resilience in the face of a major unexpected negative event.

3.2 Procedures

A 3-hour interview was conducted with Mr T at the premises of company A in December 2012. The following topics were covered during the interview: (a) the scale of damage from the earthquake, (b) specific post-earthquake actions and procedures, (c) main duties performed as leader, (d) employees’ roles, (e) factors that led to rapid recovery, and (f) future activities. The interview was recorded with an IC recorder as authorized by Mr T. It was then documented and classified by two psychology researchers and two ordinary peoples.

4. Results

4.1 Examination of factors that support rapid recovery
Mr T stated that the positive proactive approach of the employees was an important factor, stating, "our staffs performed uncompromisingly and appropriately under the circumstances. The stress among them in turn resulted in more effective teamwork." He was impressed with the employees' teamwork, even though they also personally experienced the disaster. Therefore, "teamwork" was used as a key factor in this study.

Mr T continued "We had to do what was necessary at the time and there was no point in worrying. I strongly believed that our company’s recovery could directly contribute to the recovery of Onagawa. All our staffs were confident in the company’s recovery and there was a great deal of concern among them. The confidence of the staff was absolutely an essential factor in this recovery process". He considered that the effectiveness of the employees’ efforts came from the strong belief in company A. This suggests that an employee’s high evaluation the company’s resilience is an important factor. Therefore, the term “evaluation of organizational resilience” is used as a second key factor.

In addition, Mr T repeatedly stated, “to achieve the recovery of the organization, there were crucial problems to resolve such as securing financial and physical resources and the maintenance of technical and environmental systems. However, if the staff were not with us, these would have no meaning. It was most important that staff remained on board and worked toward the organization recommencing its operations. Although layoffs may be a temporary solution cost wise, the workforce is a crucial factor in the recovery on a long-term basis.”

From the interview above, the factors that correlated with the recovery of company A can be summarized as follows:

(a) committed to and encouraged each other under difficult circumstances, thus strong teamwork emerged from the disaster; (b) strong belief and confidence in the ability to recover, thus an evaluation of organizational resilience; and (c) these factors in turn resulted in a greater commitment by employees to company A. This summary describes Mr T’s views regarding the important factors following the earthquake. However, to further assess these factors it is necessary to obtain employees’ perspective and opinions. Thus, this research included a questionnaire survey to examine the process model where teamwork establishes organizational commitment with the recognition of organizational resilience.

5. Main Research

5.1 Methods

The research was conducted in early February 2013 with all 205 employees, excluding the chief executive and managing directors. Of those 172 respondents (response rate: 83.90%), effective samples from 167 respondents were collected. The effective response rate was 81.46% [female: 85; male: 82; average age: 37.63 (SD = 13.64); average duration at work: 6.03 years (SD = 6.75)].

5.2 Structure of questionnaire

5.2.1 Face sheet:

A voluntary response survey was prepared to avoid triggering memories of the disaster, as this could have been distressing for the respondents. It was emphasized in the survey that respondents could leave a question unanswered if the question produced negative mental effects. The contact details of the surveyor were clearly stated if after-care was required due to the contents of the questions. For confidentiality, to ensure that respondents would answer all questions truthfully, each completed questionnaire sheet was placed in an envelope and then sealed. To ensure further confidentiality, the sheet also clearly indicated that the survey results would only be used for the research purpose stated by the researchers.

1. Teamwork measure
   Using the teamwork scale determined by Misawa, Sasou and Yamaguchi (2009), four scales with the highest correlation factor loadings were selected. The statements were written in past tense to resemble conditions at that time.

2. Organizational resilience evaluation measure
   An original organizational resilience evaluation measure was created, comprised of six categories such as, “We have the ability to tackle any problem due to unexpected events without losing motivation among the team.”

3. Organizational commitment measure
Using the organizational commitment measure in Takagi, Ishida and Masuda (1997), the three factor loadings with the highest correlations were used. Respondents could choose from 5 response options for all questions: “1 = Not applicable at all” to “5 = Very true”.

6. Results and Discussion

6.1 Factor Structure:

The unweighted least squares method (promax rotation) was used for factor analysis on each measure.

6.1.1 Teamwork measure factors

Factor analyses were performed on Team Orientation, Team Leadership and Team Process.

1) Team Orientation: As a result of the factor analysis, a two-factor structure was found. Another factor analysis excluding the item “comfortable with the environment”, which scored a lower factor loading, found the same two-factor structure as that determined by Misawa et al., (2009). Factor 1 was “Orientation for completing tasks” with a Cronbach’s alpha of 0.85, and Factor 2 was “Orientation for interpersonal relations”, with a Cronbach’s alpha of 0.81. These scores revealed acceptable levels of internal consistency.

2) Team Leadership: A two-factor structure was also found for this factor. Factor 1 was “Job directions” with a Cronbach’s alpha of 0.86 and Factor 2 was “Concern for interpersonal relations” with a Cronbach’s alpha of 0.86. These scores revealed acceptable levels of internal consistency.

3) Team Process: A two-factor structure was found here after retesting by excluding a total of 4 items: those with the lowest and highest factor loading scores between specific factors. Factor 1 was “Information sharing” with a Cronbach’s alpha of 0.85. Factor 2 was “Clarification of task” with a Cronbach’s alpha of 0.93 and Factor 3, “Monitoring and coordination”, had a Cronbach’s alpha of 0.81. The final factor, Factor 4, “Mutual feedback” had a Cronbach’s alpha of 0.88. These scores revealed acceptable levels of internal consistency.

6.1.2 Organizational resilience evaluation measure

A one-factor structure was found. Further details regarding the questions asked and Cronbach’s alphas are provided in Table 1.

6.1.3 Organizational commitment measure

Unlike the structure determined by Takagi et al., (1997), a three-factor structure was found because one factor included both normative and continuance elements. The items were set as follows: Factor 1: “Affective commitment” with a Cronbach’s alpha of 0.87; Factor 2: “Normative commitment” with 0.89; and Factor 3: “Intrinsic commitment” at 0.85. These scores revealed acceptable levels of internal consistency.

6.2 Descriptive statistics of each variable

Descriptive statistics and the correlation coefficient of each variable are shown in Table 2. The average value of all the variables excluding “Clarification of task” was higher than 3, which is considered to be sufficient.
6.3 Examination of relevance between each variable

Structural equation modeling was conducted using Amos Graphics 17.0 to examine the relevance between teamwork, organizational resilience evaluation and organizational commitment. The results are shown in Fig. 1. A time series hypothesis model was created based on the theoretical background: “Effective teamwork following the earthquake improved the organizational resilience evaluations of the employees, which in turn facilitated organizational commitment”. A full-model analysis was performed by setting teamwork as an independent variable, organizational resilience evaluation as a parameter and organizational commitment as a dependent variable. As a result, the hypothetical model supported the statement that organizational commitment improves under such conditions. The AGFI value was low at 0.85 but acceptable overall.

![Fig. 1 The result of Structural Equation Modeling](image)

**Fit indices:** GFI = .95, AGFI = .85, CFI = .97
6.3.1 Relationship between Team Orientation and Organizational Resilience

The results show that both variables, Orientation for completing tasks (β = 0.24, \(P < 0.01\)) and Orientation for interpersonal relations (β = 0.41, \(P < 0.001\)) facilitated organizational resilience. As per the interview results, the employees assessed that since the earthquake company A had been motivated towards the achievement of its goals and recognized that they enjoyed an atmosphere where employees respected each other’s strengths. These factors contributed to improve company A’s organizational resilience.

6.3.2 Relationship between Team Leadership and Organizational Resilience

Both variables, Job directions (β = 0.23, \(P < 0.01\)) and Concern for interpersonal relations (β = 0.50, \(P < 0.001\)) were found to facilitate organizational resilience. This was because the employees actively clarified their own roles, gave instructions accordingly and listened to each other to build motivation among them.

6.3.3 Relationship between Team Process and Organizational Resilience

Monitoring and coordination improved Clarification of task (β = 0.68, \(P < 0.001\)), Information sharing (β = 0.67, \(P < 0.001\)) and Mutual feedback (β = 0.61, \(P < 0.001\)). Monitoring and reciprocal adjustment by confirming each other’s roles, the sharing of knowledge and information and providing feedback led to an improvement in organizational resilience. In addition, it was demonstrated that both variables, Clarification of task (β = 0.20, \(P < 0.01\)) and Information sharing (β = 0.44, \(P < 0.001\)) facilitated organizational resilience. This shows that to achieve rapid recovery after an unexpected negative event, both the separation of duties and the active sharing of knowledge and information within an organization are crucial factors.

6.3.4 Relationship between Organizational Resilience and Organizational Commitment

Organizational resilience improved all the hypostatic factors of organizational commitment (affective commitment: β = 0.45, \(P < 0.001\); normative commitment: β = 0.35, \(P < 0.001\); intrinsic commitment: β = 0.44, \(P < 0.001\)). This result suggests that the strong confidence of the employees in the rapid recovery of their company led to an improvement in organizational commitment on various levels.

7. Conclusion

In company A, teamwork was effectively established following a devastating earthquake in 2011, with confidence in its recovery high among team members. These perceptions led to greater active commitment toward recovery. Organizational resilience as a result of effective commitment was not only influenced by the sharing of knowledge and information but also via interpersonal intentionality and consideration. It was demonstrated that under an extremely difficult environment, that strong communication and the creation of a cooperative environment can effectively overcome the challenges and generate organizational commitment.

The confidence and opportunity to face and tackle challenges with other colleagues or managers created feelings that each individual can practically and emotionally provide commitment and contribute to the organization. Conventional methods used to overcome such difficulties include the revision of rewards or human resources. However, this did not apply to this case where there was no guaranteed business or contracts. In this sense, the results from this research are highly suggestive.

Mr T, as top-level management, paid attention not only to securing physical/environmental resources and maintaining technical systems but also to the mental state of his employees and made conscious decisions regarding their welfare. This approach has effectively contributed to the facilitation of organizational resilience. Moreover, in response, employees stepped up to the plate and worked hard to rebuild company A. It is these factors that led to the rapid recovery and recommencement of company A’s operations.

This research only examined one organization that achieved a high degree of organizational resilience in trying circumstances. Thus, further research on other organizations is required to assess the facilitation process of organizational resilience.
References


Albanian Relations with Italy and Yugoslavia during (1925 – 1926)

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Abstract

The theme of the Yugoslav Albanian relations, during the years 1925-1926, is of interest to researchers because it is interesting issues, broader, multilateral, and encompassing, not only in the Balkans but also further Balkans. During this period, we have a bitter political rivalry between Italy and Yugoslavia, in connection with their influenced the political, economic and ownership of concessions in Albania. For the political system piqepamja, Albania, had just declared presidential republic, government headed by Ahmet Zog. Figure of Ahmet Zogu, dominates in this period. He chose to be oriented to Italy for several reasons. The purpose of this paper is to identify the diplomatic relations between Albania and Italy, seen in the perspective of the triangle, Italy, Yugoslavia, Albania. For the realization of the article are used archival resources of the Ministry of Foreign Affairs, and the Central Archives, of the Albanian State and other sources, of the Albanian and foreign authors.

1. Introduction

After the failure of the Nolist Revolution and the failure of his government from Albania, Zog takes the reins of power on his hands. On January 5-th 1925, he was appointed as the Prime Ministry of the country, by the High Council, which was represented by Xhafer Ypi, “the only member of the High Council that was left” (Jackues, 1995). The Prime Minister declared that “the attitude of freedom was made directly with the active support of the officers from those people expected their salvation” (Dako, 1990). Came to power Zog, “there were a lot of congratulation telegrams as those of Zog – Musolini” (Dajti, 1925). On January 22-nd the country was proclaimed Republic, Ahmet Zog the president of the country. The radical transformation of the regime came as a result of walking away from Albania of Prince Vid. “With his departure from Albania and taking part in the general struggle under the flag of a foreign nation, he lost the right of taking over the Albanian throne” (Dervishi, 2006).

Although in the first days of the government, Zog would pay attention to the economic development of the country and the growth sustainability and economic stability. Zog knew that he would need outside help, so he was making plans to which country he would be oriented. At first he was led by the League of Nations organization to take a loan, but with no result, because this last one would not help him, the same thing made to the Nolist government, Zog had nothing else to do that looking towards another big foreign power, which was ready to help him. Zog hoped only to two neighbor countries Italy and Yugoslavia. But he was indebted to Yugoslavia, because this last one helped him to take the reins of power and as reward she should give to them territories of Shen Naum and Vermosh in north Albania. He was afraid that he would have further problems with Yugoslavia because of lands borders.

The king Zog thought to be oriented more with Italy than Yugoslavia because there were no land borders with it, and it was a state power which possessed a great economic capital compared with Yugoslavia, which was economically weak. According to historian Fischer “the president felt secure when entering into relationship with big countries that were geographically distant” (Fische, 1984). Although Belgrade has given the greatest contribution to Zog returning to power, he had no confidence, because obviously one day Zog would take political measures against Yugoslavia, where lived almost the half of Albania population. “Failure of Yugoslavia to respond positively to requests for assistance made Zog to take direct steps towards improving relation with Italy” (Fische, 1984). Since 1925 Mussolini had come out of the internal crisis and intended to extend Italian penetration towards Balkans. However Zog was not very confident to Duce politics in Albania, because often their relations were characterized by misunderstandings. Italians lack confidence towards Zog, since he when he appeared in the Albanian political scene. In 1924 when Zog wanted to return to power he turned his face to Italy, where he took money to cooperate with oppositions forces. The first negotiations began on January 20. “Between Albania and Italy was signed a secret pact sea-dealer, which gave to Italy the status of the most favored nation, (Fische, 1984).
In January 1925 Zog informed Duraco that he intended to know Italian interest towards Albania, at the begging Mussolini didn’t want to accept this request as word circulated “Zog planned to mobilize British and Yugoslav officers for the organization of the Albania gendarmerie…” (Fishta, 1984). Zog felt the Italy reaction during this time, so he avoided Belgrade. Zog wanted the orientation to Italy for another reason: it produced more industrial products, where Albania was more interested in, on the other hand its neighbors had only agricultural products, a sector of economy covered by Albanians themselves. During this time a big interest was show by the big powers such as Britain, USA etc.. At first these countries said that they’re coming for humanitarian purposes in Albania leaving camp free Italian influence, until discovered that Albania’s territory was very rich in various resources such as: kerosene, diesel etc.. Zog chose this moment to be given the concession of using oil to the Britain – Persian company. In the international circumstances had a major influence Britain and France. After their hide the other Balkan countries like Yugoslavia with France and Italy that had begin its close politics with Britain. The orientation towards Italy and Britain said as the doors open politics, with major influence Britain and France. After their hide the other Balkan countries like Yugoslavia with France and Italy that moment to be given the concession of using oil to the Britain – Persian company. In the international circumstances had a major influence Britain and France. After their hide the other Balkan countries like Yugoslavia with France and Italy that had begin its close politics with Britain. The orientation towards Italy and Britain said as the doors open politics, with which Zog “started to follow with his coming into force, giving priority to these powers” (Shkencave, 1984). Ahmet Zog and his clique met all the interests of foreign monopoly capital, “which is helping the regime of A. Zog to come to power and keep standing, had asked and asking more and more big concessions” (Fishta, 1989). In the beginning of 1925 when Zog declared open doors politics for foreign capital, “this last one launched a ‘peace’ offensive unprecedented in Albania till then (Fishta, 1989). In February 1925 to the Britain – Persian company was awarded the right to seek oil concessions in an area of 220 thousand hectares of land and the right to exploit only 60 thousand of it. But giving concessions to Britain will increase the rivalry between it and Italy. Albanian politics went through the enjoyment of British interests in the country. “The research would become in no more than 4 areas oil, bitumen, gas, and clay” (Dervishi, 2006). Rome government intervened close to Foreign Office in London against this concession by giving explanation to them, that making this concession had not only economic but even strategic importance. Mussolini presented as fact the agreement of November where priority was given to Italy and Albanian territory. These complain went not in deaf ears because Britain made some concessions to Rome where on “March 20-th 1925 reached an agreement in connection with kerosene separation in Albania” (Dervishi, 2006). Imperialist powers, especially Britain by promises given to Italy “retreated from their plans and left free hand to Italian capital, to act in damage of Albanian state independence” (Fishta, 1989). At first created SVEAS agreement (society for the economic development of Albania). In Italy began the negotiations to establish a bank, this has been suggested by Zog himself , which aimed to reduce Italian discontent created for granting oil concessions to Britain society. In March 1925 the Tirana government made a contract with the financial group, which will take over the creation of the national bank and the latter had to found a loan state. The loan was granted by Italy. Among Albanian party represented by Finance Minister Myft Libohova and financial group representing Mussolini’s government signed a document, according to which “the formation of Bank’s core capital of Albanian citizens can have up to 49 percent of shares, and foreign nationals not less than 51 percent of shares” (Duka, 2007).

If the shares wouldn’t been bought by Albanian citizens, than these shares would be pass on Italian society hands, but they were never bought by the Albanian citizens, for various reasons, and behind it were hidden the Italian hand. These actions went again to the Italian hands. “The bank won the right to issue Albanian banknotes (Duka, 2007). As clearly seen Zog politics were directed mainly towards Italy. I think that affected several factors such as: not having a political sustainability in Albania during 1922-1925, the difficult economic situation which was faced Albania country when Zog came to power, the lack off support that was made to Zog from the Nation League for giving a grant to him, pushed the King Zog to the Italian arms. Greater privileges assured the Italian capital in the field of industry.

In March 1925 the Italian enterprise “Italian State Railway” took in concession 50 thousand hectares of land with the right of exploitation only in 30 thousand hectares for which was created a special society (AIPA). “In Albania gained access a great number of companies such as AIPA, SEIA, SESIA, SAIKA, SAIPA, etc” (Fishta, 1989). Later on Italian mining society of bitumen in Selenica got the concession of 2140 hectares of land for oil exploration with the right of exploitation of 800 hectares. In 1926, were taken greater concessions from the foreign companies in kerosene, gas, bitumen, asphalt, etc.. Searches would become only in three areas: “In the area Rraste – Kajan – Kozare with a surface of 510 hectares. In the area Murraz – Cakran – Bumun – Bicak with a surface of 18800 hectares. In the area Karbunar – Vjose 2010 hectares” (Dervishi, 2006). To Italy was given many privileges even in the fields of agriculture, “where the Italian capital intervened in the agriculture of Durres area through SAIPA society” (Fishta, 1989).

According to archival sources, said that “the Government of Albania, which will now be called after the government gives the company Adria-Aero - Lloyd, who will be called from now on we run the company on 10 - year, exclusive rights of the aviation service in Albania. Albanian aircraft will have weapons of Albania (MPJ, Dosja 345, 1925). Among this Italy showed a big interest in the communications network, according Iliaz Fishta “through the company Adria, Aero, Llojd took
over the monopoly of air transport in Albania" (Fishta, 1989). Yugoslav capital can’t compete the Italian capital because was weak. Yugoslavia made several attempts to broke down the influence of Italian capital.

2. Rivalry Italian – Yugoslavian for concessions in Albania

The return of the king Zog in power is dedicated to the Yugoslavian, who hoped that with his coming to power, they would be able to secure concessions in Albanian territory. The relations of Belgrade with Tirana were broken since the government of Nolist government, where the latter had not created spaces for enterprising concessions on its part for them.

During this time, there was a war for concessions between Italian, Yugoslavian, English, French and American capital, and where between all those, was dominating the Italian and English capital. They would start a war to secure as much as they could concessions in Albanian territory. Often these countries to make the king Zog and his government for them, borrowed him whenever needed. Albania was rich in kerosene and diesel, and England and Italy were interested for them. Claims emerged from Yugoslavia, but its capital was in a challenge encounter with the Italian one, which possessed a greater and sustainable quantity that the Yugoslavian. In this time began a hard rivalry between the Italian – Yugoslav, who once promised each other that would not influence in the Albania’s internal affairs. When the king Zog was in need of economic assistance, Italy was ready to help him, but Zog knew very well that behind this help was a pay back. Zog opened the way for the penetration of the Italian capital in Albania. Italian – Yugoslavian rivalry was not seen only in economic terms, but also in political terms.

Having an impact on the economic side, the Albanian neighbors would have an influence on the political side as well. They aimed to the access to the Albanian shore on the Adriatic Sea. When Zog regained power he found and empty government budget. He immediately tried to turn towards the Italian power; this was due to the various economic, political and historical reasons. However Italy was able to obtain a big influence on the Albanian economy, where was awarded the right to use thousands hectares of land for the exploration of oil and kerosene.

At first it was given to the English – Persian corporate, thus creating a rivalry between Italy and Albania. The Italian – British aggravation would culminate when Britain would provide a loan to Albania for the building of an Albanian Bank. Giving to Italy the concession of establishing the bank began the open rivalry between Italy and Yugoslavia. According to documents found in the archives of “Foreign Affairs Ministry” Belgrade said: “Yugoslav government is unhappy from the political behavior of the Albanian government in the case of Albanian National Bank” (MPJ, Dosja 105, 1925).

Yugoslavia felt disappointed from Zog, because he had given priority Italy in the concessions field, thus breaking the secret agreement between Zog and Pashic, one of the points of which stated that: “for every concession that Albania will give to other countries, it is obliged to take the Yugoslavia consent” (MPJ, Dosja 105, 1925). Yugoslavians felt frightened by the approach of Zog with Italy, and very disappointed by that, because Zog was returned to power helped by Belgrade.

Zog had some reasons that were oriented towards Italy and the main reason was that; it was a state power, was developed from the economic point of view, the major capital possessed, had no close ties to the lands as with Yugoslavia, etc. Yugoslavia knew that if Zog needed help from outside, it was not able to help him financially. Yugoslavia proved conscious, knowing some privileges to Italy for economically dominated in Albanian territory. Italy showed vigilance in the international area. It challenged both its strongest competent states for checking Albanian monopoly. Britain was challenged by Italy diplomatically and Yugoslavia had an economically rivalry. Yugoslavia introduced Italy the access to establish the bank of Albania, but with the condition to be part of the agreement. Italy didn’t accept this fact because wanted to be the only power in Albania. Italy didn’t hesitate to sign the first agreement with Zog government, where it took the Bank concessions, SVEAS loan, and kerosene concessions. Belgrade discontent reacted immediately, filling itself insulted and betrayed by her two neighbors. Yugoslavia presented a request to Italian government, where it was agreed to establish the bank with an equal capital, which would be financed from Yugoslavia and Italy. Rome did not accept this, because wanted to be the strongest power in Albania, where in this way, it would be strengthened and would take other concessions in this country. And with all these according to Pashic, Zog was in dept with Yugoslavian, because they helped him regained the power.

On September 2-nd, became the foundation of the Albanian Bank. The National Bank centered in Rome and would be directed by a 7 member’s staff. Its director was Mario Alberti. “Albania is recognized the right to possess 51% of the initial capital or 12.5 million gold francs. Italy had 320000 shares; she left Albania 50000 shares, the remaining shares were divided between Switzerland, Yugoslavia and Belgium (Swire, 2005). Zog does not take into consideration Yugoslavia and did not keep the promises made. Yugoslavian press exploded in a series of accusations against the
Italians whom according to Lazarevic minister will soon be the Albania “grave” (Milo, 1992). Yugoslavia made continuous efforts through press statements telling that Italy would dominate Albania not only economically but even politically. Encouraging Albania to not give concessions to Italy led to a tightening relation between Italy and Yugoslavia. After bank concessions Italy thought that would be easier to sign new agreements with Zog. He gave to Italians as well concessions in the fields of agriculture, industry, telecommunications, trade etc.. Zog to play a balanced politics with Yugoslavia gave it the right to start researches of cooper and other minerals in the area of Puke. Even in this field Italy and Yugoslavia both showed a big rivalry. In this war Yugoslavia capital was represented by shares of Serbian – Albanian bank. war was continued around the copper-rich country, which is in Puka, in Northern Albania, the countries Coman, Kabash, Cerret, (MPJ, Dosja 111, 1925).

In the international area was very well understood that Italy and Yugoslavia hated each other and were rivals for their interests towards Albania. The rivalry emerged in the fields of transport, where Yugoslavia was promised concessions for the construction of the road Durres – Elbasan – Kukes, and to get control for the concessions of the railway construction. There was a project of the road system headed both geographically and economically from Yugoslavia. “The eastern side of every road to Yugoslav border could be used in an event of war by Yugoslav troops. Before the Italians were able to benefit from it and would facilitate a more likely Albanian invasion from Yugoslavs rather than an Italian – Albanian invasion of Yugoslavia” (Swire, 2005). Finally also transportation sector Italian companies acquired privileges, those rivalries Yugoslavia again. Italian – Yugoslavian rivalry emerged in agricultural sector too. “The most important problem was drying swamps with an extension of 1722 square miles, which infected people with ague fields” (Swire, 2005). In relation with public works the Albanian government awarded an Italian mission to carry them out for a period of 10 years. Yugoslavs claimed that this was another preparatory step for an Italian attack to Yugoslavia through Albania (Swire, 2005).

Italian – Yugoslav rivalry also appeared in the maritime sector, as Zog had promised Pashic to sign a commercial and navigational treaty. This treaty was never signed with Yugoslavia because in March 1925 Albania would sign this treaty with Italy. “The major part of Albania treaty was been done with Italy…Yugoslavia had done many things to regulate trade ties through its borders” (Swire, 2005). Yugoslavia felt a great danger by the empowerment of Italy in Albania, and threatened by a shortage of its economic interests over Albania. Yugoslav press exploited in an attach of charges against Italy, but also blamed Zog for his wrong approach towards Yugoslavia, where theoretically he was known as Yugoslavians friend, but practically he was serving Italian interests, giving total freedom to the Italian economic impact. Yugoslavia clamed through press that she had concerns about the intentions of Italy in Albania. “If Yugoslavia continuous to be hostile to Albania and insists on its aggressive madness, the latter will be more incline to follow the steps of Italy, which are preferable than Yugoslav bayonets (Swire, 2005).

Aggravation of Yugoslav- Albanian rivalries was apparent after the signing of navigation treaty. Yugoslavia did not stop its attempts to influence in Albania, she demanded custom unification. When Mussolini was made aware of this, he put pressure on Zog, that the only force he could sign agreements with, was Italy. Zog did not sign the agreement justifying the fact that this treaty would negatively affect Albania and Italy. Zog to approach Yugoslavia presented to it the request to sign another trade and navigation treaty. He attempts to do any thing to regulate the relationships between Albania and Yugoslavia. He sent a delegation to Belgrade led by M.Tutuliani who signed a treaty of consular issues, navigation, and extradition with Nincici. This treaty will allow Yugoslavia to control Albanian trades mainly in north, and the sailing in Buna’s and Shkodra’s lake.

This time the treaty would not be signed by Yugoslavia because the Yugoslav parliament will not ratify it, because between Italy and Albania was signed the treaty of friendship between them in November 26-th 1926.

3. Conclusions

Reports that Yugoslavs were preparing an uprising, as a sign of hostility that they had to Zog and Italy, started from the beginning of Autumn 1926. In November 20-th exploded a Catholic rebellion in the North of Albania.. This revolt soon broke down and some of the rebels were executed by Yugoslavia. Yugoslavian press implicated even Noli and alluded that Italy has taken this initiative (Swire, 2005). F.Noli reacted immediately telling that he was not part of this rebellion and that he was removed from Albania to Vienna when Zog return to power. There are two assumptions for this rebellion.

First, it is thought by most historians that it was founded Albania from Yugoslavia itself, as protest and displeasure it had to refuse a concession by Zog.

Secondly, there is a speculation that it could be financed by Italians themselves who were preparing to sign a treaty with Zog, which would put Albania under Italian protectorate. Zog felt powerless to cope with this uprising, and situated in serious financial conditions, would not hesitate to make ratification of the new treaty with Italy. Mussolini asked...
achieving a new agreement that perhaps it would be better to divide Albania between them. Italy immediately rejected
Belgrade’s request because it was negotiating with Albania and do not need other. Zog asked help to Italy, which was
provided immediately, but in return he must sign the pact of friendship with Italy insurance.

“The fear of permanent Serbian imperialism pushed on Albania in the arms of Italy” (Swire, 2005). On October 11,
1926 the Italian Minister presented the Albanian president’s first offer for a friendship pact Italian – Albanian. Zog asked
to Italy a total of 200 thousand gold francs. His request was completed. In these conditions Zog asked to Alois to sign the
friendship treaty on November 26-th 1926. The provisions of the treaty were as follows: “Italy and Albania, with a view to reinforcing their mutual relations of friend ship and security,
anyone considering their geographical position….inspired by the desire to maintain the political status quo, legal and
territorial Albania.. Have decide to conclude this pact…and to this end have designated as their almighty…Alois baron…”
(Swire, 2005).

New convenient was introduced in the Albanian parliament on December 8-th, which was voted by almost all MPs.
He remained there and without comment in the international arena, especially in Yugoslavia remained disappointed.
November 30-th Nincici became acquainted with the content of the pact, and the next day he conveyed Bodrero, Italian
Minister Belgrade content of the text itself. “Nincic the first bitterly criticized Pact of Tirana, but this criticism, as rightly
wrote ”Freedom” National were only from perspectives of Yugoslav interests” (Shkencave, 1984).

Nincici who had been pro – Italian policy in the Balkans felt quite disappointed by Zog and Mussolini few days after
the signing of the treaty and the “political pressure was forced to resign, which was followed by the resignation of his
entire cabinet” (Duka, 2007). In this way began antagonizing the Italian – Yugoslav relations. Belgrade remained silent;
he headed toward the Great Powers in trying to convince the pact was signed only to counter Yugoslav interests in
Albania. Yugoslavia felt unsupported by Britain and in these circumstances, it began to change tactics. Britain and France
held a more negative attitude rewards’ Italy not because they did not want to disrupt the relationship. Covenant was
registered in the Nations League on February 8-th 1927.

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Steel Flowers of the Empire: The Ottoman Ladies

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Abstract

The current study aims to reveal that we cannot neither talk about a complete seclusion of the female population within the socio-economic structure of the Ottoman Empire, nor present a single female image, which had represented all Ottoman women. To prove this, a comparative methodological analysis which exposes the similarities and differences of the Ottoman ladies’ conditions both from each other and from their Western counterparts, is going to be applied. Due to having limited space, the subject will be evaluated within certain spheres and the focus will be mainly on the nineteenth century. After mentioning diverse rhetorics and analysis of some cliché convictions found in the traveler accounts, the paper will continue with the issues of female private property and polygamy, since the lacking of the former one and existence of the later one usually come to fore in the criticisms directed against the Ottoman society. Apart from these, it will become clear that the nineteenth century female educational improvements made positive contributions to Ottoman women’s lives, but because of their narrow scopes and targets, in occupational sense, these developments could not have pledged great promises. Nevertheless, the historical sources imply Ottoman female population’s partial involvement in the economic life of the Empire –long before the implementation of new educational reforms. The basic primary sources applied for this study mainly consist of the traveler accounts. Likewise some late nineteenth century annual reports of the American Protestant missionaries of the American Board of Commissioners for Foreign Missions and some nineteenth century periodicals were also resorted to.

In many respects the traveler accounts are sources, enlightening people about different cultures and civilizations. Hinging upon the educational level and personal characteristics of travelers, as well as aims of their journeys, topics and these topics evaluations naturally vary. Related with the subject, when we particularly focus on the Ottoman female life, we see that most of the travel books were written within the spheres of rhetoric of difference and similarity. These discourses were formulated at three levels: the underlined dissimilarities might be seen among the women, who were the members of the same (Pouqueville, 1820) or different Ottoman ethno-religious millet groups (Brewer, 1829; Frankland, 1829; Bond, 1828; Elliot, 1838; Fraser, 1838; Rolleston, 1856; Tietz, 1836; Mackenzie and irby, 1867), or between the Ottoman and Western societies’ women. In fact the very social structure of the Ottoman Empire, which consisted of diverse ethno-religious groups helped the travelers, who endeavored to apply rhetoric of difference by epitomizing dissimilarities among the Ottoman women. As an example when we have a glance at travelers’ ideas on the Greek Orthodox women of the Empire we see that, the Archadian ladies’ pure mind and innocent smile, the Peloponnesians’ beautiful physical appearance and virtue as well as devotion to their husbands –both in lifetime and after their demise- had attracted the attention of foreigners (Naval Chronicle, 1816).

In addition to rhetoric of difference, sometimes similar manners or daily practices applied by the Ottoman women from different millets were highlighted. According to Josiah Brewer, for example, in the coastal town of Izmir, the garment style of the Muslim and Armenian ladies as well as the way in which they used henna for their nails resembled each other. Similar to this, in the Arabic lands the practice of some common local customs and superstitious beliefs of the native Bedouin and Christian women were pointed out (Brewer, 1830; Daughty, 2010). Few paragraphs before, the Peloponnesians’ beautiful physical appearance and virtue as well as devotion to their husbands –both in lifetime and after their demise- had attracted the attention of foreigners (Naval Chronicle, 1816).

In some travel accounts, the same rhetoric kind might serve to specific purposes, like espousing colonial policies of certain countries. Therefore the “knowledge structures”, being used in the “meaning making process” of these sources were formulated to underpin certain aims. The travelers of this sort tended to make generalizations without capturing the variations among the Ottoman ladies in ethnic, religious and socio-economic senses. They generally offered readers a rhetoric of difference not among the Ottoman ladies, but between the Western and non-Western societies’ women (Foucault, 2005; Smethurst, 2009; Edward and Graulund, 2011).

In addition to rhetoric of difference, sometimes similar manners or daily practices applied by the Ottoman women from different millets were highlighted. According to Josiah Brewer, for example, in the coastal town of Izmir, the garment style of the Muslim and Armenian ladies as well as the way in which they used henna for their nails resembled each other. Similar to this, in the Arabic lands the practice of some common local customs and superstitious beliefs of the native Bedouin and Christian women were pointed out (Brewer, 1830; Daughty, 2010). Few paragraphs before, the Peloponnesian Greek Orthodox women’s allegiance to their husbands has been mentioned. In fact, together with “tenderness in motherhood”, the notion of “loyalty to spouse”, was frequently counted among the common features of the Muslim, Greek Orthodox, Jewish, Armenian etc., of all Ottoman women (Bisani, 1793; Naval Chronicle, 1816).

However, when we evaluate the overall socio-economic status of the Ottoman female figure in the historical sources, it appears that many researches aiming to place the female population in the Ottoman society, offer a static
version of the past by having applied the Western attitude in a way, in which the nineteenth century Ottoman society as a whole is considered as “stagnant”, “oppressive”, and “underdeveloped”. As a direct consequence of this, most Europeans had considered the position of women particularly in the pre-twentieth century Ottoman Empire as “depressed” (Macfarlane, 1850; Lumbroso, 2007). In many respects, these women, being confined in harems, by the walls of houses usually dealt with ornamental needle works and embroidery, passing their time by looking through windows at passengers and could communicate only with other females. So, their involvement in the socio-economic life was restricted. Furthermore, the Ottoman state religion, Islam, was seen as almost the sole regulator, being used to define the female role in the social life (Bisani, 1793; Lott, 1865; Tucker, 2002).

It is true that, in the period prior to Turkic populations’ acceptance of Islam, along with their men, the females of these groups were riding, participating in hunting and swordmanship, partaking in the decision making process at the peace and war councils. Moreover, when it was necessary they engaged in warfare. In addition to these, 

hatun (the ruler and his wife), were used to represent their state together. From this perspective, relatively, the Ottoman period had witnessed alienation of women from the socio-economic life.

Changing religion may alter people’s attitude and daily habits. It cannot however, play the role of being the sole regulator. The statements of some Europeans, who had sojourned the Ottoman lands in the nineteenth century, indeed, verify this assumption. Baron de Bois le Comte, a French diplomat who visited quite a few Ottoman cities during the Egyptian Crises in the 1830’s for instance stated that, being Muslim, among some nineteenth century Arabic societies the female population was playing an active role in the public work (Oliver, 1801; Subaşi and Şenol, 2002; Badem, 2011; Çevik and Kaltakci, 2011). Baron de Bois le Comte was not the only Westerner who realized this fact. According to Sir Adolphus Slade (1804-1877), who had served in the Ottoman fleet as a supervisor in the period between 1850-1866, Islam “respects women” and is not “particularly oppressive”. He went further and suggested that,

“We are in the habit of comparing it [Islam] with the Christian religion in the West, and drawing our inference there from. This is not fair: we should compare it with the Christian religion in the East – its cradle where seclusion of women has ever been in vogue among the natives, whether Jews, Pagans, Christians, or Mussulmans” (Slade, 1833, p. 328).

It is true that the historical sources imply the reality of similar female social seclusions in the places, which were geographically close to the Ottoman lands. Certainly through the local people who share common mentality, as being meaning systems (Paloutzian, 2006) all religions in the vicinity of the region in question were in constant interaction with each other. This situation in fact facilitated the acceptance of some social values and judgements, which were influenced by religious beliefs, by most of the natives from different religions and, it also explains why the people of the same region tended to act in the same or similar direction/s. Some nineteenth century accounts for instance, mention the seclusion of the native Greek women during the Venetian sovereignty (1211-1669) in Crete Island. Accordingly, prior to the establishment of the Ottoman rule there, in their everyday lives the Cretan Greek women went out only for performing religious ceremonies, and other than such activities they used to spend their time at home (Pashley, 1837). The hyperbole found here is supposed to be eliminated and the peculiarity of the period must be taken into consideration, since the archival sources other than traveler accounts clearly underline the place of the Cretan women in the economic life of the island. As even in the fourteenth century, many of these ladies were participating in commerce and manufacturing (Mckee, 1998; Mckee, 2000).

Nevertheless, the above mentioned examples found in the traveler account reveal the fact that like everywhere else, in the Ottoman lands too, the mentality of local denizens had played a determinant role on social matters. By the same token, some travelers pointed “human character” out as a possible factor, setting some restrictions on Ottoman women’s lives (Lott, 1865). According to G. L. Dawson Damer, for instance, in the 1840’s

“There are three distinct kinds of conveyances to be met with in Stamboul. Some are so entirely closed by gilt lattice-work, that it is impossible to perceive the occupiers; these are considered to belong to the élite, and are called coochy. The second class of carriages, have on each side two circular openings, and one in front, but are without glasses; and you can distinguish three or four Turkish ladies reclining in them on soft cushions, covered with cashmere, silk, or chintz: they are called talikas. The third kind, of which the name is araba, is a large, light sort of waggon, capable of holding a dozen people.” (Damer, 1842, pp. 133-134).

In addition to the economic motive behind the usage of these carriages, Dowson Damer underlined that the first kind of carriages called coochy was preferred by the ladies, whose husbands were “jealous”, whereas talikas were destined for the ones whose spouses were not interested in concealing them. Thus, to a certain extent, this situation...
inclines the importance of personal characteristics of the native people, which had given shape to the way of living, in our case, the lifestyle of women (Damer, 1842).

When we continue to evaluate the aforementioned example from a psychology perspective, certainly “jealousy” cannot be correlated with “love” all the time. Like the men who were jealous of their spouses, the men who did not show jealousy towards their spouses also felt love. Peoples’ revealing of their love feeling may change from person to person. In the same vein, showing other feelings, such as respect and giving importance might vary with culture. In this regard, the members of the Eastern and Western societies may reveal a dissimilar attitude towards the same events. For this reason, it seems more likely that some behaviors of the Ottoman inhabitants were not understood and evaluated accurately by the Westerners. For example according to the sources, the issue of women’ concealment was not only limited with physical environment, because as an “ideational image” too, women were not mentioned in the Ottoman society. As a consequence of this, many Europeans had underlined the fact that, unlike themselves, the Eastern men were not keen on talking about their wives with –foreigner or native- another man. From this situation they also inferred that the Ottoman men’s spouses did not constitute an important part of their lives, as they did not disdain to talk about them. However, the truth of the matter was different: Muslim or non-Muslim, Ottoman men were prone not to mention their spouses to others and did not want to share their “privacy”, due to the respect they felt towards their wives” (Subaşı and Şenol, 2002). Briefly speaking, as how Michel Foucault (1926-1984) posited that “deemed true” varies from place to place, so does the human emotions and attitudes (Mills, 1991). For the Ottoman men, what was “true” in this case, was the separation of the female sphere from the public sphere.

For the Ottoman female seclusion issue probably it will not be wrong to suggest changing of geographical conditions in the former times –moving from Central Asia to new lands like Anatolia, Balkans-, and passage to sedentary life as other factors, led to the partial alienation of Ottoman women within the social life. By re-defining their roles, all these developments in due course had seemed to shape the social borders of the female figure in daily life (Subaşı and Şenol, 2002).

Apart from all these, what many travelers, historians and researchers have emphasized is the essentiality of individually owned “private property” as a fact, strengthening women’ status and image in the society. When the Ottoman society is analyzed from this perspective, the historical sources clearly reveal the existence of female-owned private property, which could be freely possessed, sold or donated. Among the “commercial properties” of the female population existed some farms, vineyards, windmills, orchards, olive tree gardens and et cetera (Göçek, 1994). Without digression note that in fact, this situation proves the fallacy of Friedrich Engels’s (1820-1895) theory, which pointed out the correlation between the emergence of monogamous marriages in history and oppression of the female rights, also in the Ottoman lands. For Engels through monogamy, among his offsprings, men obtained the right to designate the ones, who would be his heir/s. And in return, by hindering female accession to property the supremacy of the men within the society was achieved (Engels, 1908).

As stressed by Judith E. Tucker, Engels’s one of the major theoretical weaknesses was his ruling out of “modes of production” and “meanings of property”, which might change from place to place (Tucker, 2002). Perhaps it will not be wrong to assume the essentiality and diversity of societies’ “value judgments” as another omitted point in Engels’s theory, since direct correlation between “respecting someone” and “having property” cannot be always correlated. The general value judgment of the Ottoman society verified this because, having immovable property or acquiring wealth was not the only reason, causing other people to show respect. In this regard, having kinship ties with certain lineage, or being the family elder for instance, were countable among the factors, which increased peoples’ importance in the eyes of others. This tendency was perceivable both among the male and female populations of the Empire (Tucker, 2002). When “being family elder” is examined as criteria, it appears that in some regions, like the inner parts of Anatolia, the mothers-in-law were considered almost as “sole heads” of their families. Although like the Muslim families, the Ottoman non-Muslim families (both Jewish and Christian) too had patriarchal structure, the mothers-in-law seemed to under-control everything within the families. The young female members of the families, such as brides, on the other hand, particularly until bearing a child had rather limited rights within the family environment and were guided in all matters by their elders (Walpole, 1818; Elliot, 1838; Bardavit, 2007).

Within the radius of marriage we should briefly dwell on the issue of polygamy, because this marriage type was seen as a factor deteriorating to a great deal the social position of the Eastern women –including the Ottoman ladies. To begin with, polygamy was not peculiar to Muslim men. Although very few in number, the historical sources clearly documented the existence of some non-Muslim polygamas. The applied laws in the Ottoman domains however, set some limitations for polygamy, and in according with these monogamies was recognized only if the circumstances necessitated the marriage of this sort. Furthermore, the lady, who did not consent to unite to a man in such conditions had reserved right to reject the polygamous marriage. According to the historical sources, most of the Ottoman ladies had
preferred monogamous marriage, and unlike the general conviction, polygamy was not all that widespread in the Ottoman society. In fact, in the late nineteenth century monogamy was not only espoused by literate female figures but also by some ulama (the Islamic scholar) members, who adopted a stance next to Ottoman women. Fatma Aliye Hanım –later on, Fatma Aliye Topuz (1862-1936)- for instance, did not hesitate to criticize men, who had preferred polygamy by using pejorative words, like “roosters”, while describing the men with one wife as “pigeons” (Montagu, 1761; Voltaire, 1764; Elliot, 1838; Nicol, 1856; Voltaire, 1860; Erdoğan, 1994; Philips and Jones, 2005, Marvel, 2011).

Undoubtedly the tone of traveler accounts show a huge range of diversity and due to having limited space here, we cannot mention all these genres. Despite this, travelers’ inclination to see Eastern ladies— including the Ottoman ones— as “exotic” and “picturesque” must be mentioned. As while mentioning the subjects which were relating to these ladies, particularly the themes of “seclusion” and polygamous marriages, travelers used to “exotize” the general atmosphere. Certainly while doing this some travelers did not expose any ulterior motive. For better understanding of this Eurocentric inclination, the “ladies in the Turkish bath concept” constitutes a good sample to briefly dwell on. Since, when the issue was Turkish bath, generally travelers depicted a picture of a place with full of “hypersexual ladies”. In their visitations to the places alike in the Western lands however, they did not pursue analogous ways to define the scene. For example, the early nineteenth century historical sources point out the existence of natural hot baths, which were used by both males and females in the Hungarian lands. In these baths, the spheres of different genders were not separated from each other. On condition of adults’ covering their certain parts of bodies, the baths could be used by men and women as well as children “simultaneously”. Despite this, the mentioned baths were only defined with plain language, as a place to bathe (Elliot, 1838). Undoubtedly, among the Europeans also existed some travelers like Lady Mary Wortley Montagu (1689-1762) who offered, even prior to the Victorian period (1837-1901) in which the British travelers had developed more empathy towards the Ottoman society—especially its Muslim fraction-, objective and logical scene of the Turkish baths. She clearly underlined the impossibility of seeing something carnal in such public places, which were full of “noisy children” and were allocated to people for sanitary purposes (Ezer, 2002).

Probably lack of school education among the Ottoman ladies contributed to the development of this mistaken female image found in the Western sources. Before the nineteenth century in the Ottoman realm, including Balkans, apart from the sibyân schools (سبیانی primary schools) the formal school education was exclusively extended to male students. Hence, in some places, among the Ottoman women it was difficult to observe even the existence of basic education, which meant reading and writing. For the non-Muslim female students too the situation was similar (Walpole, 1818; Bond, 1828; Elliot, 1838; Rolleston, 1856; Taitz, and Henry and Tallan, 2003; Çelebi, 2011b; Şanal, 2013). Depending on the economic conditions of their families, however, some ladies could receive private education, and thus, knew some foreign languages like French, Italian, English and could play some musical instruments such as piano forte, flute and guitar (Bisani, 1793; Macgill, 1808; Kurt, 2012).

In 1842 the first state-initiated midwifery course was opened within the structure of Tıbbâne-i Amire. Its first graduates consisted of ten Muslims and twenty-six non-Muslims. Few years later in 1858 the first rüşdiye school (رشيديه) for girls, namely Cevri Kalfa ınas Rüşdiyesi, offering rudimentary religious education was inaugurated by the Ottoman state. In the rüşdiye school for girls both Muslim and non-Muslim women could serve as teacher—especially for the needlecrafts courses. Furthermore, from the 1871 onwards, some of these schools were governed by female administrates. As time passed, existence of the secondary school for girls necessitated the opening of female teachers’ training school, whose graduates would serve at rüşdiyeler. Consequently, Darîmluallimat (دارالمعلمات) was opened in 1870. In the same years, another school was offered to female students: the School of Arts and Handicrafts (Sanayi Mektepleri). By instructing occupational courses like carpet weaving, sewing, cooking and embroidery, this school was designed to prepare female students for the “labor market” (Akyüz, 1999; Çolak, 2002; Semiz and Kuş, 2004; Bakacak, 2009; Güven and Akagündüz, 2011; Marvel, 2011; Kurt, 2012; Şanal, 2013).

In fact, the nineteenth century female educational developments had not only been espoused by the Ottoman state’s and non-Muslim communities’ initiatives but also by the Western female educational activities. To a certain degree improvements in the American and European female education of the epoch directly contributed the Ottoman female education. Through the missionary activities, the first girls’ schools of the Ottoman Empire were inaugurated—in Beirut in 1830 and in Istanbul in 1832—by the missionaries of the American Board of Commissioners for Foreign Missions (hence, ABCFM) (Report of the American Board, 1853; Sixty-First Annual Report; 1871; Sixty-Second Annual Report; 1872; Alan and Bolat, 2011). Towards the last decades of the nineteenth century missionary sources mention the existence of seven boarding schools for girls and two hundred and four day or common schools which were attended also by the female pupils in the Ottoman lands (Sixtieth Annual Report, 1870). In addition to ABCFM, other missionary groups too opened schools at the kindergarten, primary and secondary school levels. To these schools both Muslim and non-Muslim pupils

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could attend. So, the Western education had effects on both Ottoman Muslim and non-Muslim (Christian and Jewish) female educational systems (Eliot, 1838; The Home and Foreign Record, 1853).

Despite all these developments, still in the late nineteenth century, the “gender role” or “behavior expectations” (Myers, 1993) for females, did not seem to undergo a change since, the chief motive beneath the overall developments in Muslim or non-Muslim female education seemed to be rather a preparation of qualified wives and mothers (Karaca, 2011). This sentiment was not only prevailing among the Ottoman millet communities and some of their institutions but was also supported by the intellectuals. The prominent Muslim intellectuals of the Tanzimat Era (1839-1876), such as Namik Kemal (1840-1888), Munif Pasha (1828-1919), Safvet Pasha (1814-1883) and Ziya Pasha (1825-1880) for example, considered female education as a remedy for regression of the society (Çelebi, 2011; Şanal, 2013). In reality, in the West too, the exponents of these ideas, who were defending their stance, still could be found. Some significant Western intellectuals such as August Comte (1797-1857) and John Stuart Mill (1806-1873) were also accentuating the essentiality of the espousal, which must be supplied by women for their husbands. Thereby the main female responsibilities were: “perfecting men” and “raising children” (Mill, 1866; Alger, 1867). However, it is vital to stress that the new trends particularly in America developed in a new direction, in which the female roles were thought to be more germane to the personal and individual life of women and, the emphasis was made on gender equality. The essentiality of “wifehood” and “maternity” were still considered as important characteristics of women, but they were not seen as sine quo non female features (Oscanyan, 1857; Alger, 1867).

The female educational developments cannot be segregated from the newly emerged ideologies of the epoch. The late nineteenth century Ottoman imperial lands as a whole had witnessed the permeation and diffusion of nationalistic ideas, originated from Europe, among different millet groups. In addition to nationalism, the same period witnessed the emergence of feminism among the Ottoman Muslim and non-Muslim female populations. By the time passed the mingling of these two tendencies, nationalism and feminism, had oriented the way of thinking towards certain ideological path. Parallel to these, through mothers’ education, the essentiality of feeding children’s mind with nationalistic ideas from the beginning, came to fore. The basic idea was: while growing up, if a child’s mind was shaped by such ideas, s/he would be a beneficial individual for the society and, first of all, for his/her own ethno-religious community (Rowe, 2000; Balta, 2007; Exertzoglou, 2007; Çelebi, 2011a; Çelebi, 2011b; Marvel, 2011).

No uniformity however, emerged among the Ottoman feminist women because, there existed more than one type of nationalistic discourses at that time. The crystallization of the separate national feelings directed especially the literate women to support the national values of their own millet communities rather than the general Ottoman advancement. The Armenian women, for example, were tried to be encouraged by establishing ties between themselves and the Armenian national heroic characters. One of these was Vartan Mamigonian (Վարդան Մամիկոնյան, 393-451 A.D), who fought against the Persians as a defender of Christianity and died in 451 A.D. Later on he was consecrated as a saint by the Armenian Church because, after his death he became the symbol of the liberation of the Armenian Christianity (Gaidzakian, 1898; Ohanyan, 2011). So, Mamigonian’s story was adapted to the Ottoman case, “to demonstrate the connection between Armenian national autonomy and Armenian women’s liberation” (Rowe, 2000, p. 159) in the late nineteenth century.

In the same vein, some prominent Muslim female intellectuals of the period, such as previously mentioned Fatma Aliye Hanım, were emphasizing the rightness of their “own cultural principles”, so as to say the Islamic values. One of the leitmotifs of her famous work Nisvân-ı İslâm (1891) which was serialized in Tercüman-ı Hakikat Newspaper (ترجمان …، 2013), and in the years to follow was translated to Arabic and French, was the misperception of the Muslim women by the Europeans. According to her what the Western people saw was not the right but only the “distorted image” of the real Muslim women. For a remedy, she was suggesting Ottoman Muslim women to learn French language and Islamic law precepts. As by dint of this, misperceptions could be rectified and the truths could be properly explained (Marvel, 2011).

Within this scope for a comparison when we glance at the nineteenth century America, it appears that the “perfection of race” and “instilling in children own cultural values” were also emphasized among the American female duties (Alger, 1867; Smith, 2006). Moreover, in the period in question similar to that of their Ottoman Muslim and non-Muslim counterparts, the American ladies too had begun to evaluate the intellectual works of the yore to strength their own ideas. The sixteenth century German oculist, theologian and magician Henricus Cornelius Agrippa von Nettesheim (1486-1535) was one of these intellectuals (Morley, 1856) because, with his works he was defending the female position in the society in the age, in which compared to men, women’s probability of being under the influence of spiritual evils, was seen higher. As it was openly stated that: “Sunt & alis, alias rotationes assignantes, cur in maiore multitudine reperiantur fœminæ superstitionisæ quâm uiri. Prima est, quia prænæ sunt ad credendum, & quia principaliter daemon quærit corrumpere fidem, ideo potius eas aggreditur…” (Krämer and Sprenger, 1576, p. 70). The ideas of Henricus
Cornelius Agrippa appear to be quite avant-garde for his era. He promoted the idea of males' and females' having equal status and rights in the social structure. He even suggested that:

"PREMIÈREMENT, je dis que la femme est autant supérieure à l'homme, que le nom de la première femme est au-dessus de celui du premier homme: en effet, Adam signifie Terre, et Eve signifie Vie. La femme est donc autant supérieure à l'homme, que la vie est au-dessus de la terre." (Agrippa, 1801, p. 4).

To continue with the Ottoman lands, to some degree the effects of female education in the last decades of the nineteenth century began to bring results in ideological sense. In occupational sense on the other hand, the new schools and educational ameliorations could not lead to immediate and tremendous change in Ottoman women's lives. Despite their lack of general formal school education, like in the nineteenth century in the pre-nineteenth century too, the Ottoman women from all millets were able to do several professions: they had worked particularly as midwives, nurse, and tailors. Many of them also served as “active workers” –in sericulture, cloth or textile production, carpet and wax manufacture as well as in handicraft trade. According to Karl von Scherzer, who sojourned in Izmir and its vicinity in 1873, only in the Uşak District (kaza) there were about 3,000 carpet weaver female workers. Furthermore, in places where economy was primarily based on agriculture, inevitably the female population had dealt with agricultural activities and sold goods at the local bazaars. Apart from these, depending on region and place, it was also possible to see some women who were working as court-crier, seamstress, steel-welder, teacher as well as calligrapher, poet and composer. The historical sources mention the existence of about forty well-known Ottoman female poets, who had lived in the period between fourteenth to nineteenth centuries (The Edinburg Review, 1810; Bond, 1828; Damer, 1842; Rolleston, 1856; Göçek, 1994; Scherzer, 2001; Subaşi and Şenoğlu, 2002; Taitz, Henry and Tallan, 2003; Maydaer, 2006; Dingç, 2010; Çevik and Kaltakcı, 2011). The involvement of women in professions related with art was not limited with this. In the second half of the nineteenth century a female music band, which was composed from sixty ladies and was formed by the order of Sultan Abdülmecid’s (1823-1861) daughter Zeynep Sultan. An interesting point to be observed here is that in accordance with the sources, the female members of this band were wearing male bandsman garments (Çevik and Kaltakcı, 2011). In addition to being a music band member, there were other slightly unusual and advanced professions –in terms of the pre-nineteenth century standards- performed by the Ottoman women. It is known that,

"A small group of women in the lands of the East practiced some form of medicine. In Jerusalem, Jewish women were mentioned as kahhala, a title specific to eye doctors. Amon Cohen suggests that these women might have originally been cosmeticians who were proficient in the use of antimony (kohl) for eye makeup and thus became skilled in treating eye diseases” (Taitz, Henry and Tallan, 2003, p. 186).

The Ottoman society was not unfamiliar with female healers, who were dealing with both male and female diseases. However the aforementioned example implies the presence of expert female healers, who had developed medical techniques to cure specific illnesses of both genders in the pre-nineteenth century (Shefer, 2006).

Despite these, in some cases the obtainment of the Ottoman females, who were performing different professions, is not an easy task. Although for example, throughout the Empire many Ottoman women from all millet communities individually or collectively were involved in different sorts of textile manufacture, their labor and activities as a whole might not leave a visible trace to the archival sources. About the elusiveness of the female labor some historians suggest that, not everywhere but in some places generally the output produced by women were not able to reach the local markets. Hence, despite the fact that they were actively involved in the production process, their performances were not discernible enough (Göçek, 1994).

In fact, in the Western world too, throughout the centuries certain occupations or “the lighter labors” were intrusted to women. Although in America the female pioneers of medical and law school graduates, for instance, had started to be seen from the mid-nineteenth century onwards, -namely Elizabeth Blackwell (1821-1910) and Arabella Mansfield (or Belle Aurelia Babb Mansfield, 1846-1911)- generally the Western female population too, could not deal with all sorts of occupations they desired. Therefore, still in the second half of the nineteenth century they were stressing that women's occupational preferences should not be restrained and they should not be “appendage to men” (Voltaire, 1860; Alger, 1867; Smith, 2006; Ford, 2008).

To sum up, the results of our investigation, first of all, show that the Ottoman society had its own peculiarities, which to a certain degree had shaped, differentiated and partly alienated the female sphere within the public sphere. The female population in the Ottoman lands however, was not completely barred from the socio-economic life. Moreover, parallel to the developments taking place in other parts of the world, particularly in fin de siècle Ottoman society, the Ottoman ladies as a whole partake in new activities and their participation in the socio-economic life had accelerated.
Although many traveler accounts represent the delusion of Eurocentric approach, the fragments of true information, which reflect the real place of the Ottoman ladies can be attained. Undoubtedly the rhythms of the life in Eastern and Western societies were not identical, so were the social places of their members. Difference in this sense did not mean that the members of the former one were totally suppressed whereas the later one enjoyed complete liberty. As being the component of socio-cultural life, the subjects, which are relating to women must be interpreted in the environment they found, by taking their own conditions into consideration.

The current paper has mainly pointed out the Western people’s ideas found in the traveller accounts. In fact, the Ottoman men, who had opportunity to make observations on the status of the Western female populations also verify the asserted ideas of this study. After his observations concerning the American women in the 1860’s, what Ottoman Armenian writer Hachik Oscanyan (1818-1895, later on Christopher Oscanyan) stressed in his book with a little bit humour for the Ottoman Muslim women, seemed to be accurate for all Ottoman ladies –regardless their ethno-religious millet communities:

“A Turkish lady is eminently queen of her dominions, sometimes even a despot –and most independent on all occasions, both public and private…when they go out; public sentiment entirely protect them; for, if any one should accost them rudely, the commonest citizen would immediately turn avenger….They seem, indeed, to be privileged class. Wherever they appear the men must retire –and woe to the man who ventures upon a warfare of words with a Turkish woman; for her tongue has no bounds, and her slipper is a ready weapon of chastisement; and no man would dare to repel the attack” (Oscanyan, 1857, p. 229).

Perhaps for the conclusion of this study, it will be appropriate to quote one Sephardic Jewish proverb, which was being used among the members of the Jewish millet in Anatolia, as it seems to reveal the status of the Ottoman women within the society as a whole: “Famiya sin mujer es una lanterna sin luz” (Bardavit, 2007, p. 141) (Family without a woman is a lightless lantern).

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How Vulnerable are Social Services to Cutbacks during the Economic Crisis?

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Abstract
In 2009, the economic crisis led to severe GDP contractions in several European countries. The crisis has led to cutbacks in welfare provisions. Have social services been hit particularly hard? The paper investigates if empirical material collected through the EU-funded Cost Action IS1102 (Social Services, Welfare State and Places) can help investigate this assumption. The paper splits factors likely to influence the degree of cutbacks in three groups, and specifies a number of hypotheses related to each. In brief, these are:

a) Factors influencing the overall risk of cuts in social services:
   • How severe is GDP contraction?
   • Has overall social spending been increased or reduced in the aftermath of the crisis?

b) Factors influencing which services that are most vulnerable:
   • Did an «expansion coalition» exist before the crisis? (kindergartens)
   • Did a «retrenchment coalition» exist before the crisis? (pensions)
   • How strong are legal entitlements?
   • Are services financed centrally or locally?
   • Large/small constituency?
   • Strong or weak(er) social investment-arguments?
   • Targeted at the poorest and/or most vulnerable?
   • «Worthy» versus «less worthy» claimant groups?
   • Services particularly targeted at immigrants?
   • Do services foster increased female labor force participation?
   • Does service expansion dovetail with pronatalist arguments?
   • Is demand for the service increasing or decreasing during the crisis?

c) Factors influencing to which extent services in poorer regions are particularly vulnerable:
   • Is regional redistribution weakly institutionalised?
   • Did a «fiscal federalism» coalition exist before the crisis?

1. Introduction
How has the 2009 economic crisis impacted on the public delivery of social services? In lieu of public provision, social services are traditionally delivered by women in the household sector. A retrenchment of public services such as kindergartens, after-school day care and elderly care may indicative a shift back towards traditional gender roles. The paper presents the characteristics of social services across European countries and then investigates if empirical material collected through the EU-funded COST Action IS1102 - Social Services, Welfare State and Places -can shed light on the fate of social services in countries differently affected by the ongoing economic crisis.

2. Different degree of crisis – different social expenditure trajectories
Countries experiencing GDP contraction can react by cutting social spending (in an effort to reduce public debt), or on the contrary, boost social spending to compensate for increased hardship and to stimulate demand. Table 1 provides an
overview of total GDP contraction/expansion in the period 2009-2012 for selected European OECD countries, as well as corresponding social expenditure expansion/contraction as a percentage of the (contracting or expanding) GDP.

Table 1. Change in public social spending 2009 -2012

<table>
<thead>
<tr>
<th>Country</th>
<th>Public social expenditure as percentage of GDP</th>
<th>GDP per head, USD, constant PPPs, reference year 2005</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2012</td>
<td>Percent change from 2008</td>
</tr>
<tr>
<td>Greece</td>
<td>26.3</td>
<td>0.9</td>
</tr>
<tr>
<td>Italy</td>
<td>28.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Iceland</td>
<td>16.4</td>
<td>0.6</td>
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<tr>
<td>Spain</td>
<td>26.3</td>
<td>3.4</td>
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<tr>
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<td>1.9</td>
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<tr>
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<td>3.7</td>
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<tr>
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<td>-2.0</td>
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<tr>
<td>Finland</td>
<td>29.0</td>
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</tr>
<tr>
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<td>2.1</td>
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<tr>
<td>Czech rep.</td>
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</tbody>
</table>


Among the European countries listed in table 1, Greece (-15.02) Italy (-7.39) Iceland (-6.69) Spain (-6.19) Portugal (-5.47) Denmark (-5.36) Hungary (-4.73) and Finland (-4.46) reported GDP per capita contraction of 4 percent or more in the period 2008-2012 taken as a whole. Hungary cut social spending also as a percentage of the (shrinking) GDP. In Iceland and Greece the increase in social spending as a percentage of GDP was very modest (0.6 and 0.8 respectively), in particular considering the particularly severe GDP contraction in these countries.

All countries in table 1 experienced GDP contraction in some years between 2008 and 2009 (Eurostat 2012). However table 1 shows that some had recovered from initial setbacks. In the period 2008-2012 taken as a whole Slovakia (+4.50) Germany (+2.74) Sweden (+2.53) Switzerland (+1.13) and Austria (+0.18) had net growth. These countries at the same time increased social spending as a percentage of their (expanded) GDP, the increase varying between 0.7 percent (Switzerland and Slovakia) and 1.9 percent (Switzerland and Slovakia).

Denmark and Finland pursued the most countercyclical social expenditure policy. They expanded the share of total public social expenditure as a percentage of their (shrinking) GDP by 3.7 percent. Together with Belgium they were the biggest social spenders in 2012, with public social expenditure varying between 29.0 and 30.5 percent. The leanest spenders were Iceland and Slovakia.

Rich countries can provide their citizens with more public welfare than poor countries, even if they spend less as a percentage of GDP. Norway had the highest GDP per capita (expressed in purchasing power parities) in 2012, corresponding to USD 47580, while Hungary was poorest with USD 17053. Both countries were middle-of-the road social spenders if expressed as a percentage of GDP (social expenditure representing respectively 22.1 and 21.1 percent of GDP).

In sum: Table 1 illustrates that European countries were differently affected by the 2009 GDP contraction, and those affected reacted differently with regard to cutting, maintaining or boosting total public social expenditure.
3. The fate of social services

This article limits attention to the fate of social services. Social services are a heterogeneous group, but a common denominator is that - in lieu of public provision - most of these services are provided informally by women in the household sector (if they are provided at all). This is the situation in traditional societies, defined as societies with a traditional gendered division of labor. Investigating the fate of social services may indicate if some European countries are reverting back from an emerging “modern” towards more traditional societal gender roles in the shadow of the crisis. The diversity of social services is illustrated by Martinelli and Sarlo (2012), who differentiate six main categories and three benefit/service types, resulting in 6x3=18 categories of social services (figure 1)

Figure 1. A typology of social services, with examples. Based on Martinelli and Sarlo 2012.

<table>
<thead>
<tr>
<th>Family and minors</th>
<th>Services and interventions rendered to people from own premises and/or at the domicile of users, including home services</th>
<th>Institutional delivery, i.e. residential, semi-residential or daycare centers, where services are provided to users while staying at the premises</th>
<th>Transfers in the form of money or vouchers, lump-sum or periodic, means-tested or flat-rate, and sometimes in kind (equipment and goods) rather than cash [technically not “services”, but nonetheless administratively subsumed under the social service-label in EU statistics]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home-based daycare, child abuse and family counseling, foster home services</td>
<td>Créches/daycare centers, kindergartens, after-school daycare, crisis centers for abused family members, treatment centers for child abuse victims, institutions for orphans</td>
<td>Child benefits, parental leave benefits, care-at-home benefits for those not using subsidized kindergartens, special tax-financed benefits for single parents</td>
<td></td>
</tr>
<tr>
<td>People with disabilities</td>
<td>Tax-financed personal assistants, home care and nursing, employment services</td>
<td>Institutions for severely disabled</td>
<td>Vouchers for personal assistants, free or subsidized equipment (in-kind: crutches, wheelchairs, specially adapted cars), services to adopt the home for disability (removal of thresholds, etc.), benefits to buy extra equipment or private services, benefits to caring relatives, subsidized employment</td>
</tr>
<tr>
<td>Elderly</td>
<td>Home care and nursing, transportation services, home meals,</td>
<td>Institutions for the elderly</td>
<td>Free or subsidized equipment, services to adapt the home for disability, benefits to buy extra equipment or private services, benefits to caretaking relatives</td>
</tr>
<tr>
<td>Alcohol and drug abuse</td>
<td>Poly-clinic counseling and treatment</td>
<td>Treatment institutions</td>
<td>Free syringes in supervised “needle rooms”, free or subsidized drugs (e.g. methadone)</td>
</tr>
<tr>
<td>Immigrants</td>
<td>Social work counseling, information services, employment services</td>
<td>Day-based integration programs</td>
<td>Tax-financed integration benefits (linked to participation in integration programs), rental subsidies or subsidized (public) housing, subsidized employment</td>
</tr>
<tr>
<td>Poverty and social exclusion</td>
<td>Social work counseling, employment services</td>
<td>Day-based training programs</td>
<td>Training benefits (linked to participation in training programs), general social assistance benefits/minimum revenue, subsidized (public) housing, subsidized employment</td>
</tr>
</tbody>
</table>

Some social services relate to life situations that a majority may realistically expect to encounter. Examples include kindergartens (most people hope or expect to raise children) and home care and nursing for the elderly (most people hope or expect to grow old). Others relate to life situations that only a minority are likely to (or hope to) encounter. Examples include services for the born disabled, crisis centers for victims of domestic violence, or services related to alcohol and drug abuse. Still others relate to problems encountered by groups that the majority does not belong to; the main example being integration services for immigrants.

How has social services fared during the crisis? In the following we combine data from two sources. OECD provides aggregate data on social services spending for European member countries. Added to this, the ongoing COST
Action IS1102 - Social Services, Welfare State and Places–has provided qualitative information from national experts
about social services trajectories. In the following we present what can be gleaned from these data sources, including if
some services are more vulnerable to the crisis than others.

4. Aggregate spending on social services

OECD aggregate data on social service spending has so far been published only until 2009. Table 2 shows the situation
in the selected European between 2001 and 2008, and as the crisis hit in 2009.

Table 2. Spending on other services that health and education services as % of GDP, 2001, 2008 and 2009.

<table>
<thead>
<tr>
<th>Country</th>
<th>2001</th>
<th>2008</th>
<th>2009</th>
<th>2009 spending as % of total social expenditure 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>8.1</td>
<td>8.2</td>
<td>8.8</td>
<td>29.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>7.7</td>
<td>7.5</td>
<td>8.5</td>
<td>28.2</td>
</tr>
<tr>
<td>Finland</td>
<td>4.2</td>
<td>4.9</td>
<td>5.6</td>
<td>19.0</td>
</tr>
<tr>
<td>Norway</td>
<td>5.5</td>
<td>4.7</td>
<td>5.5</td>
<td>23.6</td>
</tr>
<tr>
<td>Germany</td>
<td>3.9</td>
<td>3.9</td>
<td>4.2</td>
<td>15.1</td>
</tr>
<tr>
<td>UK</td>
<td>3.5</td>
<td>3.8</td>
<td>4.2</td>
<td>17.4</td>
</tr>
<tr>
<td>Belgium</td>
<td>3.4</td>
<td>3.2</td>
<td>3.5</td>
<td>11.8</td>
</tr>
<tr>
<td>Greece</td>
<td>3.1</td>
<td>3.0</td>
<td>3.5</td>
<td>14.6</td>
</tr>
<tr>
<td>Iceland</td>
<td>2.9</td>
<td>3.0</td>
<td>3.2</td>
<td>17.3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2.1</td>
<td>2.1</td>
<td>3.0</td>
<td>14.9</td>
</tr>
<tr>
<td>Spain</td>
<td>2.0</td>
<td>2.6</td>
<td>2.9</td>
<td>11.2</td>
</tr>
<tr>
<td>Austria</td>
<td>1.8</td>
<td>2.2</td>
<td>2.6</td>
<td>8.9</td>
</tr>
<tr>
<td>Hungary</td>
<td>1.9</td>
<td>1.6</td>
<td>1.7</td>
<td>7.1</td>
</tr>
<tr>
<td>Portugal</td>
<td>1.2</td>
<td>1.2</td>
<td>1.5</td>
<td>5.9</td>
</tr>
<tr>
<td>Italy</td>
<td>1.5</td>
<td>1.4</td>
<td>1.5</td>
<td>5.4</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1.1</td>
<td>1.1</td>
<td>1.3</td>
<td>7.5</td>
</tr>
<tr>
<td>Czech rep.</td>
<td>1.8</td>
<td>1.1</td>
<td>1.3</td>
<td>6.3</td>
</tr>
</tbody>
</table>


The social service spending pattern was quite similar in 2001 and 2008. All countries reported modest increases between
2008 and 2009, when GDP contracted. The table further shows that the Nordic countries (except Iceland) are “social
service welfare states” to a larger extent than other European welfare states. This confirms previous research (Castles,
2004). The Nordic countries spend more as a percentage of GDP, but also relative to other types of social expenditure. In
2009 Sweden spent 8.8 percent of GDP on social services, in contrast to 1.3 in the Czech republic and Slovakia. Sweden
leads also if social service spending is measured against other social expenditures: 29.5 percent of Swedish social
expenditures were spent on social services. Italy is at the other end of the distribution, spending only 5.4 percent of total
social expenditures on social services in 2009.

Spending on social services in the Nordic countries is related to a high percentage of women in the labor force,
and more generally to the transition from a “traditional” male breadwinner model towards two-income families. Social
service spending on kindergartens and elderly care in particular corresponds to the entry of women in the formal labor
market, increasingly on a full-time basis. The expansion of public social services has also increased formal employment
opportunities in an economic sector where women dominate (Esping-Andersen, 2000; Morel et. al. 2012; Ferragina et. al.
2012).

1The COST action also includes countries where OECD data are not available, including Macedonia and Romania. In this paper we limit
the study to COST action countries where OECD data on aggregate spending are available.
5. How to measure expansion or retrenchment after 2009?

Available OECD data do not allow us to trace the development of aggregate social service spending after 2009. However even when data becomes available, spending measures are a crude indicator of shifts in social service provision. This is so since the amount of spending on services depends on the number of applicants as well as general entitlements. Retrenchment in social service entitlements can be masked by increased use of social services if one relies on spending measures only. We need a social services entitlement database in order to differentiate between those changes in spending occurring due to changes in entitlements, versus those occurring due to an increase/decrease in the number of beneficiaries.

With regard to social transfers (such as unemployment and pension benefits), Lyle Scruggs has compiled a comparative welfare entitlement data base providing entitlement data up to 2011 for 13 European countries. Unfortunately nothing similar exists in the case of services. A social services entitlement data base would in any case be more challenging to construct than a social transfers data base, since it is more difficult to decide what “entitlement” implies with regard to services than with regard to transfers. Perhaps the length of the queue when applying for a kindergarten or a nursing home; or the percentage of applicants that are turned down; or the size of user fees. Or alternatively, measures of service quality, such as the number of children per kindergarten personnel, or the number of visits home carers perform on average during a week.

Further, since social services (as illustrated in figure 1) are very diverse, we ideally need separate measures for each social service. Without separate data on separate services we are not able to investigate if some services are more vulnerable to cuts than others, or to gauge whether some services enjoy continuous expansion while others are scaled back.

The purpose of this brief presentation of methodological problems is to illustrate the daunting task of constructing truly comparative data to investigate when tracing how social services have fared during the economic crisis. However, not having the best data available does not mean that there are no data out there that can illuminate the fate of social services. The best should not be the enemy of the good. Material gathered in the COST Action IS1102 takes us a bit further in this respect, although further work needs to be done in order to give precise answers. Before presenting the data, however, let us put forward some hypotheses as to why social services may be vulnerable to cutbacks, as well as also why some services may be more vulnerable than others.

6. Are there reasons to believe that social services are vulnerable to cutbacks during an economic crisis?

Three arguments suggest that this is likely to be the case:

a) Social services usually have weaker legal protection than other parts of the welfare state, in particular weaker than pensions (which tend to be partly contribution-based or pseudo-contribution based). Perhaps politicians will cut first where it is least likely that their cuts can be challenged in the courts.

b) Social services are targeted at the weakest and most destitute. They have less political clout – and represent smaller voter groups – than beneficiaries of larger welfare programs. Again, earnings-related pensions are a relevant contrast, since such benefits serve larger and more well-to-do segments of the citizenry.

Both a) and b) may also speak to a marginalized positions of some recipients, representing what is sometimes labeled the “less-deserving poor” (such as substance abusers). This can further reduce the political cost to cutting these services and benefits. Not all small groups are regarded by as “less deserving” however. For example, the born or young disabled are small groups, but these groups most likely enjoy high legitimacy in all countries.

c) The responsibility for social services is often devolved to local governments, and they are financed through government revenues at the local level. Local governments often rely heavily on property taxes to raise revenue. The economic crisis has particularly hurt property prices. This reduces property revenues, starving local governments of funds. This is less the case with those welfare programs that are a responsibility of central governments. Again, pensions are a relevant contrast since they are usually provided by the central

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2 URL: http://www.nsd.uib.no/macrodataguide/set.html?id=7&sub=1
3 Yet another methodological strategy would be to use vignettes to determine which services are available to those with similar needs across countries, and include retrospective questions to capture the effect of changes over time, including effects of the crisis (Kazepov, 2010).
government. Add to this that trade unions and employer’s federations often sit on the Board of Directors of pension schemes and may have “veto power” over cutbacks. A similar set-up providing non-state actors with veto power is more seldom the case with regard to social services.

The importance of the last factor may have increased in the decade before the crisis, as European governments have increasingly devolved welfare responsibilities to regional or local governments. This is a common trend (Kazepov 2010). If so, this may be seen as a negative, unintended consequence of a well-intended government reform: to enhance local democracy by giving local governments more responsibilities. (To the more sinister-minded, it may alternatively be seen as a devious blame avoidance - strategy on behalf of central governments.)

7. Are there counterarguments?

There are at least two arguments suggesting that social services may, on the contrary, escape severe cutbacks:

- a) Social services are often targeted at the poorest and most destitute. This is in itself an argument for shielding these services more against cutbacks than welfare programs (as well as other government items) directed to more well off constituencies. The weakest and most destitute have by definition fewer private resources to cope with their problems if governments cut their services. On an ideological level, there is an overlapping consensus between liberal, Christian-democratic, social-democratic and socialist ideologies with regard to giving priority to the poorest and most destitute in times of economic hardship. If such ideals (elite-ideologies) matter in politics, rather than only raw attempts to peddle to the material self-interests of a majority of voters, we should expect efforts to maintain funding for services targeted at the poorest. If voters are not immune to such ideas there may also be votes to be had by a “let’s at least shield the poorest from the crisis” - narrative.

- b) Since the poor and destitute usually comprise fairly small groups there is not much money to be gained by cutting their services. Thus the “small constituency” argument cuts both ways. It may make it less politically costly to cut services for the poorest, but it also makes less sense to cut such services in the first place, since cuts will not really save much in the way of government revenues.

Following the hypotheses that would suggest that social services are more vulnerable to cutbacks, one should assume that politicians will be more wary to cut back services that a majority may realistically want to use themselves at some stage in their life (such as kindergartens or elderly care), rather than services only a minority assume they may need (such as drug counseling and therapy). But on the other hand (following the counter-hypotheses), since such groups are usually small, perhaps politicians do not see a major point in cutting such services (little revenue to be saved anyway). Based on the latter set of arguments, one may even expect larger cuts in, for example, earnings-related pensions, since they benefit better-off groups. Cuts to pensioners and other large groups save governments a good deal more revenue.

In conclusion, the discussion thus far is indeterminate. There are arguments both for and against assuming that social services (and welfare programs more generally) benefiting small groups will suffer more than those benefiting large groups. There is, however, also an alternative way to formulate hypotheses about the likely fate of welfare programs during the crisis, namely to base arguments upon the patterns of expansion or retrenchment before the crisis hit.

8. The existence of previously established expansion or retrenchment coalitions and the “benefit of crises” argument

Arguably the welfare programs least likely to suffer retrenchment are those where a political expansion coalition existed before the crisis, i.e. a mix of political parties, interest organizations and the like who for various reasons (overlapping consensus) were bent on further expansion, and had been successful in bringing about such expansion. Correspondingly, when a crisis hits, the most exposed welfare programs are likely to be those where a political retrenchment coalition existed already before the crisis. In both case, the “costs” to establish a retrenchment coalition had already been “paid”. To paraphrase Mancur Olson (1965), since all collective action is difficult and costly to organize, groups that had been able to overcome the collective action problem and form coalitions before the crisis, should be in an advantageous position relative to groups that have the difficult task of joining forces in order to attack or protect public spending programs after the crisis has set in.

Both expansion and retrenchment coalitions are likely to mobilize during an economic crisis: The retrenchment coalition to push retrenchments further, the expansion coalition determined to at least hold their ground. If so the effect of the economic crisis may not be a general retrenchment of the welfare state, but rather a speeding-up of restructuring tendencies that were visible in the years before the crisis hit. This represents a version of the “benefit of crises” argument.
(Diamond & Liddle, 2012). A crisis creates a “something must be done” atmosphere among the general public. Political entrepreneurs who want to foster change (retrenchment but sometimes also expansion) have an easier time getting voter acceptance for their restructuring proposals in times of crisis than in times of prosperity.

It is not possible within the span of an article to investigate the particular characteristics of expansion and retrenchment coalitions in the countries under study (coalitions that are certain to vary between countries). But we may simplify our analysis by investigating the extent to which expansion or retrenchment was successfully implemented before the crisis. Successful expansion or retrenchment is a proxy measure of the existence of successful coalitions. A recent paper by Ferragina, Seeleib-Kaiser and Tomlinson (2012) show that family-related benefits and services were expanded in (at least) 14 European countries during the decades 1980s, 1990s and 2000s. The pace of expansion varied, with Sweden as the leader and Ireland as the laggard. But the tendency was the same in all 14 countries: toward expansion (see also Morgan, 2012). This expansion is indicative of the existence of political expansion coalitions in these countries in the years before the crisis hit.

To add detail to the example above, the expansion of broad family-related social services and related welfare programs (such as parental leave schemes) may attract political actors from quite different ideological persuasions. First, family services such as kindergartens and after-school day care, as well as parental leave schemes, attract left-of-center feminists and those concerned with providing better family/work life balances in two-income families. However they may also attract neo-classical economists, whose primary concern is boosting economic growth and who often regard increased female labor force participation with benign eyes, since it implies an increased division of labor. Such social services also lend themselves easily to social-investment justifications (for example, kindergartens are argued to boost the human capital of the young). Among welfare state researchers, the social investment-aspect of social policies is increasingly emphasized (see Morel, Paller and Palme 2012). Politicians bent on slanting public spending toward “public investments” are probably reluctant to cut social services they believe (or are led to believe) have strong social investment effects. If so, kindergartens and after-school day care, among similar services, should be less exposed to cutbacks than services without a similarly straightforward social investment justification. Finally, even traditional conservatives (usually strange bedfellows to feminists) are sometimes part of an expansion coalition. Traditional conservatives tend to be worried about low fertility rates and may like the potential pro-natalist consequences of expanding parental leave schemes and kindergartens programs. Traditional conservatives are also concerned about national (cultural) cohesion, and may consider kindergartens and (even) increased female labor force participation as effective means to integrate immigrants into the majority culture, based on a “catch-them-young-and-appeal-to-the-women” line of thinking. In short: left-wing and feminist justifications can dovetail not only with social investment and efficiency arguments but also with pro-natalist and integration arguments, potentially creating a very broad expansion coalition. Through a process of overlapping consensus, an expansion-coalition may come into being; although the breath of the coalition is certain to vary from country to country.

Other welfare programs may not benefit from a similar degree of overlapping consensus. Indeed, some may suffer from the exact opposite: They may face overlapping consensus in terms of retrenchment. Old age pensions appear particularly vulnerable in this regard. Karl Hinrichs (2008) has shown that pension entitlements were curtailed across European countries before 2009, indicating that powerful political retrenchment-coalitions had been established with regard to pensions in many countries before the crisis hit. Hinrichs’ study counters arguments that have been forwarded (such as those presented earlier) suggesting that pensions should be sheltered from cutbacks.

This article is concerned with the fate of social services during the economic crisis, and does not delve further into the question of how old age pensions have fared during the crisis – this is a topic for separate research. The general point to be emphasized here is that a crisis may not lead to the general retrenchment of welfare programs, but instead act as a catalyst to speed up restructuring of the welfare state along trajectories already laid down before the crisis hit - towards expanding (or at least sheltering from cutbacks) welfare programs where an expansion coalition was already established before the crisis, and towards further retrenchment of welfare programs where a retrenchment coalition was already established before the crisis.

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4 In 2011, European fertility varied from 1.3 (Portugal and Slovakia) to 2.1 (Ireland) children per woman (gapminder.org). It is necessary to have 2.1 children per woman to keep the population stable in the long run, in lieu of net immigration.

5 Let it be mentioned in a footnote though that several European countries have indeed cut pension indexing and scaled back pension entitlements further after the crisis (Missoc, 2013). URL http://ec.europa.eu/social/main.jsp?catId=815&langId=en. See Overbye (2009) for a further discussion of how and when cutbacks of pension entitlements is likely to take place.
If the "retrenchment/expansion coalition already exists"-hypothesis holds water, we should expect the crisis to have speeded up a restructuring of the welfare state towards social services. This should at least be the case with regard to family-related services that a majority is likely to use and where social investment and pronatalist arguments go hand in hand; it is more uncertain if the argument also holds for family-related services that are used by small voter groups (victims of domestic violence, the born disabled and so forth).6

A note of theoretical clarification may be warranted at this stage. We are not concerned here with whether or not the justifications for the expansion or retrenchment of various welfare programs empirically hold water, or are normatively preferable as such. We do not want to voice personal opinions about the narrative justifications of various political actors, nor are we concerned with empirical investigations into the validity of justifications for expansion or retrenchment. Our concern is limited to the likely motivating force of justifications on political decision-making. As the Thomas-theorem states: If people (here: politicians of various colors) believe that a situation is real (here: that a set of policies makes normative and empirical sense to them), then it is real, in its consequences (here: broad expansion as well as retrenchment coalitions are likely to emerge - and succeed in their endeavor). In short: overlapping consensus as regards narrative justifications for retrenchment as well as expansion may help overcome the collective action-problem that may otherwise beset all attempts at joint political action.

With the above repertoire of hypotheses in mind, let us investigate how social services fared after the crisis in 2009, based on material collected through COST IS1102.

9. Impact of crisis on social services provision

COST IS1102 collected national profiles of social services in the period until 2012 through a standardized template presented to national experts in each country. The template included two points of focus that can be used to approach an answer as regards the fate of social services. First, it asked for accounts of changes in social services after 2009, captured through the query to indicate "The impact of restructuring and the crisis". Second, it included a question about the delivery system of services, asking which government level is financially responsible. This information may indicate if the political pressure to cut services only manifests itself at the central level or, rather, if social services are particularly beset all attempts at joint political action.

Table 2. Changes in social services after 2009. From WG1 national reports (*). Na = Not answered

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Increased focus on integration of welfare services; increased liberalization and managerialism in the provision of services; increased focus on client participation and on the duties of clients; increased coordination between federal, regional and local policy levels. (Raeymaekers &amp; Dierckx, 2012)</td>
</tr>
<tr>
<td>Germany</td>
<td>Increased childcare coverage with a particular focus on opening hours; parental leave and parental benefits expanded in 2007; increased coverage gap between east and west German Länder/regions (east German Länder being in the lead). 2008: Massive federal subsidies for childcare expansion, plus statutory entitlement for place in daycare center from the age of one, to be effective from 1 August 2013. Expansion of public childcare for under-three-year-olds 2008-2011: all children enrolled. (Mätzke, 2012)</td>
</tr>
<tr>
<td>Greece</td>
<td>Cuts in pensions and salaries have reduced disposable incomes, particularly among lower income households. As a result, paying for elderly care, either at home (for a migrant woman caretaker) or in an Elderly Care Unit is no longer an option for the majority. Public social services for the elderly have been cut both in range and quality, linked to personnel cuts and deteriorating working conditions. Major re-organizations of the “architecture of local government” affect the geography of supply of care.</td>
</tr>
</tbody>
</table>

6One more hypothesis deserves at least a footnote. Some social services dovetail with public concerns that massive immigration (which has characterized many European countries from the late 1970s onward) will lead to civil and political unrest. Politicians can be sensitive to more-or-less violent protests, which may lead them to prioritize welfare programs that can boost integration. This was arguably a motive behind welfare policies already when Otto von Bismarck initiated the birth of the modern welfare state in Imperial Germany between 1880 and 1890. Integration programs for new immigrants, as well as efforts to increase kindergarten enrolment among immigrant communities, may - deliberately or as a side-effect - foster integration. This hypothesis leads in the exact opposite direction from an alternative hypothesis that services for immigrants will be particularly hard hit due to the fact that the majority may not regard immigrants as "our" people. On the contrary, according to this hypothesis, integration programs should be more sheltered from cutbacks than other welfare programs, since there is a higher risk of violent protests among immigrant communities than among more "docile" groups who suffer marginalization.
elderly care. Cuts also affect the operation of NGOs (with the possible exception of the Church), since they receive reduced grants and face difficulties in finding donors. The burden of elderly care lapses back to female family members, where many are likely to have become unemployed as a result of the crisis – therefore “readily available” for the caring responsibilities they have fought to re-arrange. Rising needs for social programs addressed to elderly, youth, special needs persons, poor, immigrants, chronic ill; spending cuts and no secured funding for “help at home” and kindergarten programs, no new personnel hiring and lay-offs of non-permanent employees; less formal recipients of public social care (people losing insurance rights due to unemployment). Ongoing process of privatization (mainly through voucher schemes introduced) of social services for children, elderly, training for unemployed. New ideas and practices have appeared about “social solidarity from below” initiatives; yet they still remain mostly at an experimental stage – reinvention of safety nets. (Konstantatos, Vaiou & Zavos, 2012)

Spain
Catalonia: 2009 (effective 2011): introduction of 4 weeks parental leave exclusively for the father. 2011: budget cuts in public transport for young people; elimination of “baby checks” and aid related to birth and adoption; elimination of rent subsidies to young people; contributions of pensioners to health care system (with cap). Valencia: Expansion of childcare support, particularly in the form of vouchers. (Deusdad, 2012)

Italy
Revenue and spending competences among government levels reorganized in the period from 2000 in the direction of increased fiscal federalism, a process that slowed down after 2009. From 2009 to 2012: Drastic cuts to the National Fund for Social Policies (FNPS, created in 1997 to equalize social spending between regions) and other national funds for specific social groups. No significant differences are observed between subdomains (e.g. families and children, elderly, disabled, substance abusers, migrants) as linear budget cuts throughout all social and care services were implemented, i.e. no larger cuts for “less deserving” subdomains (Martinelli and Sarlo 2012; Sarlo et al. 2012; Martinelli, 2012).

Austria
2010-11: Introduction of means-tested guaranteed minimum income in all provinces, albeit at different levels of benefit. 2012: Long-term care allowance for special groups (provincial employees, social assistance recipients) is abolished and all recipients instead covered by the same federal long-term care allowance system (introduced in 1993). 2012: set-up of national fund for social care service to secure expansion of social care services across provinces and local governments. The federal government is also engaged in an acceleration of the expansion of childcare services. Introduction of agreements between federal state and provinces to provide a minimum framework for social services concerning quality and quantity in the case of childcare, elder care as well as in the care of activation of recipients of the Means-Tested Guaranteed Minimum Income access to Jobcenter services. (Leibetseder & Mätzke, 2012)

Portugal
Na

Slovakia
Na

Finland
a) Increased efforts to control costs, according to some commentators, resulting in reduced service quality. b) Extension of childcare, but stricter targeting of elderly care. c) Increased regional inequalities; creeping “fiscal federalism”. The crisis is putting pressure especially on care for older people. The debt of both the government and the municipalities has grown and the real cost of the ageing of the population has not yet been realized, for the most part. Government’s deficit has a drastic effect on municipalities as the government cuts down the state subsidies for municipalities, which are already in a difficult financial position. Significant differences between municipalities in terms of quality of services, coverage and the range of provided services. (Kröger & Leininen 2012)

Czech rep
Na

Denmark
Na

Hungary
Na

Sweden
Demand on municipalities to cut public expenditures. (Knutegaard & Brokking, 2012)

UK
Na

Iceland
Mainstreaming and de-institutionalization of disability services since 1990s. 1st January 2011: all disability issues devolved from the state to the municipalities. Services transferred are group homes, half way homes, special support in sheltered homes, special support in independent living, day service for disabled people (not work), short-break homes for disabled children and support families for disabled children. 2012 action plan states that user-led personal services will be introduced no later than 2014. Funding is shared between national and municipal level. Municipalities are presently under pressure to reduce costs. (Gudmundsson & Sigurđottir, 2012)

Switzerland
Unemployment insurance and insolvency compensation (AVIG) 2011: increased contribution rates,
stricter terms of access, reduction in benefits esp. for insurance holders under 25. Hardly any increase of unemployment and recipients of social welfare. No direct influence on public finance. Financing problems of occupational fund (due to stock exchange developments rather than entitlement cutbacks), but no direct effects on social services. (Fluder, Ruder & Hauri, 2012)

Norway 2010: major reform of pension system, introducing adjusting benefits according to cohort mortality estimates for cohorts born after 1958 (assumed to bring annual benefits down). However, no retrenchment with regard to social and care services. Managerial reforms similar to Belgium. (Overbye & Gubrium, 2012)

(*) WG1 National reports will be made available in the COST Action IS1102 website at http://www.cost-is1102-cohesion.unirc.it/

The level of detail and the services examined in table 2 varies. Also, changes after 2009 are not necessarily responses to the crisis, since they might have taken place in any case. With these caveats in mind, here are some generalizations:

a) Childcare services (i.e. daycare and kindergartens) have been sheltered from cuts, with the possible exception of Greece. There is still expansion of childcare in many countries. This is most notable in Germany, but also in Austria and in at least some Spanish regions (Valencia). Italy also moderately expanded childcare even after 2009, owing to a recent national investment plan for daycare, although since 2010 coverage trends are stalling (Sarlo et. al. 2012). The aforementioned countries report to have approached “full coverage”, at least for those above age three. Expansion in Germany is not particularly surprising, as the crisis in Germany has been rather mild. It is more noteworthy, however, that moderate expansion also has taken place after 2009 in Spain and Italy. This lends support to the “expansion coalition” hypothesis. Some caveats are, however, necessary: To the extent that user fees are charged or have been increased, the economic crisis may indirectly reduce the demand for day care, as poor young households will have more problems paying the fees. It may, therefore, not be sufficient to approach “full coverage” through increased supply, but we must also consider depressing demand. In the same vein, increased youth unemployment may imply that more people postpone having children or that more young mothers raise their children at home, further limiting the demand for childcare.7

b) Care for the elderly has experienced retrenchment, or at least to stalled expansion, in countries hard hit by the crisis. Greece and Italy report direct cuts in such services. However, at least in Italy provisions for ‘non-self sufficient’ elderly have been maintained. This is partly related to the fact that care for the elderly in Italy is overwhelmingly ensured through a national cash benefit scheme, rather than in-kind services, with clear eligibility – and entitlement – criteria, that have made it difficult thus far to cut back (Martinelli, 2012). This lends support to the suggestion that centrally funded welfare programs where legal entitlements are more clearly specified are less vulnerable to cutbacks than locally funded welfare programs.

c) Devolution to regional and/or local governments, increased managerialism and other new public management devices (such as targets and performance measures and outsourcing) is reported in many of the countries under study. Such internal restructuring of welfare service provision is a general feature of government reforms across Europe (Diamond & Liddle, 2012). The tendency is independent of the crisis in the sense that it takes place both in crisis-ridden countries and in countries where the crisis has been mild or non-existent, such as Belgium and Norway.

d) Links are established between receiving cash transfers and the requirement of activation- or integration-services (so-called “active conditionalities”). This is particularly the case with regard to social assistance claimants and immigrants. Belgium reports a change in this direction and it is evident also in Norway, Finland, Sweden, Denmark and Germany –countries that have been relatively mild affected by the crisis. Bonoli (2012) reports that activation is a common trend across EU countries. This trend may be independent of the crisis, although the crisis may have given extra impetus to political entrepreneurs bent on implementing these (social investment-related) reform ideas.

e) As stated earlier if social services are mainly tax-financed and primarily a local government responsibility, they may be more vulnerable to cutbacks than if they are mainly contribution-financed and provided by central governments. Retrenchment of locally funded services in Finland and Sweden tells the story from the local side, further suggesting that this is the case. However social services are not the financial responsibility of

7 People are known to postpone having children during a crisis, further limiting demand for child care. A word of caution though: we have not been able to find data showing if demand for daycare has really gone down due to the huge increase in youth unemployment, nor data on a drop in registered births after the crisis.
local governments everywhere. State and regional governments are heavily involved in the financing mechanism in many countries (see appendix table 1 for documentation). For example, the main German scheme for providing nursing services to the frail elderly is through social insurance (Pflegeversicherung). This is a quasi-contributory national (federal) system, not a tax-financed system provided by local governments. Contribution-based financing – and user fees – often co-exist with tax financing. Funding arrangements vary between countries but also within countries, depending on which social service one is investigating (appendix table 1). This illustrates that social services are a very heterogeneous group not only with regard to their purpose, but also with regard to their organizing and financing structure.

f) Several countries report increased regional inequality in the wake of the crisis (Finland, Greece, Italy). This shows that a crisis does not hit all areas of a country to the same extent. Table 2 indicates that the crisis has heightened tensions between rich and poor regions – a “new” impact factor not mentioned in the battery of hypotheses presented earlier. We explore this factor in more detail, below.

10. How far is regional redistribution institutionalized?

Table 2 demonstrates that the vulnerability of social services varies regionally within a country. In lieu of systems that promote regional redistribution, poor regions will have to cut back more on social services than rich regions. This calls attention to the redistribution systems themselves. All other things equal, poor regions in countries with weakly institutionalized regional redistribution systems probably have to cut back more on social services than poor regions in countries where strong regional redistribution systems were in place before the crisis hit.

The level of institutionalized regional redistribution varies between countries. Some countries had formalized regional redistribution systems established long before the crisis – for example: Germany, Norway and Switzerland. In other countries, the internal state structure has been dramatically redesigned during the crisis. This is particularly the case in Greece. From 1st January 2011, 1034 municipalities were reduced to 370 municipalities. The previous regional level of 76 prefectures was also abolished and replaced with 13 elected, regional governments. The reorganized regional/municipal governments also include further devolution of social policy responsibility: The new Greek municipalities assume the responsibilities of the (former) Prefectures, in terms of providing benefits, licensing and supervision of care institutions for childcare, elderly or disabled persons (see appendix table 1). Other countries were in the process of redefining the relationship between central and regional governments before the crisis, in a process that can be dubbed “de facto federalization”. This is the situation in Italy and Spain, where power sharing between the central government and regional governments has gradually changed towards the latter (op.cit).

A changing or newly established internal state structure probably implies weaker institutionalization of regional redistribution arrangements than in countries with a stable internal state structure. Weak institutionalization of regional redistribution arrangements should make it easier for wealthy regions to limit redistribution to poorer regions during a crisis (fiscal federalism), since it is more difficult to break up an institutionalized system of redistribution than a system where redistribution is more ad hoc. Social services in poorer regions should be more vulnerable to cutbacks in times of crises than social services in richer regions, in particular in countries with a newly established or contested internal state structure. If this hypothesis holds, regional imbalances should become more pronounced in countries that have reorganized or changed their internal state structure during the crisis (Greece, Italy and Spain) than in countries who have maintained a stable internal state structure (such as Germany and Switzerland). This is a topic for further research.

Incidentally, fights over transfers from rich to poor regions within a country have an EU-parallel in regional fights over transfers between EU countries. On an EU level, post-crisis Germany and other (mainly North European) member states negotiate with crisis-ridden member states about the size of transfers, and the conditionalities attached to them. The EU has a quite limited institutionalized regional transfer system compared to long-established federal states such as the US (Diamond & Liddle, 2012). This makes non-institutionalized, ad-hoc transfers between member states important in times of crisis – but probably also limits the total amount of regional redistribution.

11. Final reflections

As pointed out in the introduction, social services represent a heterogeneous group of services. The only common denominator is that social services have traditionally been provided primarily by women, informally in the household. An aspect of changing gender roles, which could be observed across Europe before 2009, has been a shift away from informal, family-based provision of social services to paid provision. The forms of paid provision has varied both within and between countries: sometimes services are publicly provided, sometimes through regulated markets (with or without
subsidies), and sometimes through an informal market – such as the Italian badanti, i.e. low-paid and often illegal immigrant women (Martinelli, 2012). Cutbacks in publicly financed social services coupled with stagnation or reduction in private incomes leads to a reduction in paid employment to provide such services. It implies less provision, or a return to informal, family-based provision. The latter means a return to traditional gender roles. While national informants in the Greek case report that this has taken place, it does not appear to be the general trend. Broad-based family benefits have been quite resilient to cutbacks, and have been further expanded in many countries. Germany is a strong example. Locally financed social assistance, which is targeted to (what are often perceived as) “less deserving” groups have, however, suffered retrenchment in many countries. In short, there is no general reversal back to traditional gender roles, but the social gradient is social service spending may have become steeper, hurting in particular those small groups that are traditionally regarded as the “less-deserving poor”. At least in North European countries these groups are also increasingly facing activation requirements in order to claim benefits.

The purpose of this paper has been twofold. First, to present factors that may make different types of social services more or less vulnerable to cutbacks in times of crisis. Second, to see if the material collected through the ongoing COST Action IS1102 may shed some light on the various hypotheses that suggest how these factors play out. Table 3 sums up the factors discussed in this article.

### Table 3. Factors likely to influence the vulnerability of social services to cuts

<table>
<thead>
<tr>
<th>Factors influencing the overall risk of cuts in social services:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• How severe is GDP contraction?</td>
</tr>
<tr>
<td>• Has overall social spending been increased or reduced in the aftermath of the crisis?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factors influencing which services that are most vulnerable:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Did an «expansion coalition» exist before the crisis?</td>
</tr>
<tr>
<td>• Did a «retrenchment coalition» exist before the crisis?</td>
</tr>
<tr>
<td>• How strong are legal entitlements?</td>
</tr>
<tr>
<td>• Are services financed centrally or locally?</td>
</tr>
<tr>
<td>• Strong or weak(er) social investment-arguments?</td>
</tr>
<tr>
<td>• Targeted at the poorest and/or most vulnerable?</td>
</tr>
<tr>
<td>• «Deserving» versus «less deserving» claimant groups?</td>
</tr>
<tr>
<td>• Large/small constituency?</td>
</tr>
<tr>
<td>• Do services foster increased female labor force participation?</td>
</tr>
<tr>
<td>• Does service expansion dovetail with pro-natalist arguments?</td>
</tr>
<tr>
<td>• Is demand increasing or decreasing during the crisis?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factors influencing to which extent services in poorer regions are particularly vulnerable:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Is regional redistribution weakly institutionalized?</td>
</tr>
</tbody>
</table>

Further investigations of how social services fare during the ongoing economic crisis should concentrate on similar services (or services serving similar target groups) across countries, since the importance of the factors described above may vary from one service to the next. They should also be sensitive to the regional dimension, since the internal state structure – and corresponding regional power structure – varies between European countries, influencing the extent of regional and local vulnerability to welfare retrenchment generally and social service retrenchment in particular.

12. Acknowledgement

Thanks to Margitta Mätzke and Charles Pace for prepared comments to an earlier draft presented at the COST meeting in Porto 18-20 March 2012, and to the other participants at the meeting for further comments.

We acknowledge the relevant role of the national and regional reports produced in the COST Action IS1102 (Social services, welfare state and places) as sources of inspiration and information for our work, yet take sole responsibility for the interpretation put forward in this paper.

References


Appendix

Table 1. Division of financial responsibilities for social services. From WG1 national reports (*).

<table>
<thead>
<tr>
<th>Country</th>
<th>Financial Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Funding for social assistance split between national and regional governments (not local governments).</td>
</tr>
<tr>
<td>Germany</td>
<td>a) Childcare services: shared between state, NGOs, municipalities, and in some Länder parents (user fees). b) Long-term elderly care: social insurance. c) Unemployment benefits: federal budget or insurance contributions. Unemployment services: for-profit organizations, municipal and municipal/federal labor agency.</td>
</tr>
<tr>
<td>Greece</td>
<td>Funding for elderly care: mainly for-profit and informal hired help (implies: out-of-pocket financing), the Church (charity) and...</td>
</tr>
</tbody>
</table>
contributions from other family members. Employment of paid informal caretakers, made possible by influx and low pay of women migrants since the early 1990s. Pensions play a key role in the different options for care arrangements by individual elderly persons and families. Involvement of the state in the provision of direct services is marginal, usually related to different CSFs (Community Support Frameworks) of the EU. Such services include Home Help and Tele-Assistance Programs, residential care (in nursing homes) and Day Care services (KAPI and KIFI). The voluntary sector, which includes several institutions of the Greek Orthodox Church, operates part of the Elderly Care Units (MFIs) and a limited number of other facilities. Private Elderly Care Units (MFIs) is an area of private sector involvement, which has grown since the 1980s and offers services of varying quality, following the fees charged. In childcare: Mainly/only family care. 2010: Major restructuring of local governments. From 1. January 2011, 1034 municipalities were reduced to 370 municipalities. Regional level consisting of 76 prefectures abolished and replaced with 13 elected, regional governments. Reorganizes regional/municipal government and includes provisions on local social policy: New municipalities assume the responsibilities of the (former) Prefectures in providing benefits, licensing and supervision of care institutions (for childcare, elderly or disabled persons). Local social policy to be practiced through a special “social policy unit” and a single “welfare enterprise” to be formed in each municipality.

Spain

Catalonia 2010-12: Several new, regional laws concerning child protection (against abuse), elder care and care for people with disabilities – illustrating that regions use their separate, legislative power with regard to social services. Valencia 2008: Resolution between the national government and the Valencian government to develop a cooperative framework for the establishment and funding of protection for dependent persons (people with disabilities). Funding (childcare) split between state, regional and local governments, but primacy of regional government. Almost universal coverage above age 3. Overall situation characterized by absence of comprehensive legislation, lack of budget of the different Autonomous Communities [regional governments] and diversity of funding sources; duplicity of agencies and initiatives; and regional inequalities.

Italy

Funding still comes mainly from several separate, national funds established 1997-8 and 2006-7: FNPS (the largest, now drastically cut); FNA, FNPF. Some funding also comes from the national health care system. In 2009 77% of the social service budget of Italian municipalities came from own resources (about 60%) and from the national and regional governments (about 50%), whereas the rest came from user fees (10%) and from the national health system (13%). In the same year the largest share (40%) went to the ‘family and minors’ subdomain, followed by ‘persons with disabilities’ (22%) and ‘elderly people’ (20%). At a distance were the ‘poverty and social exclusion’ domain (8%), ‘immigrants’ (3%) and ‘substance abusers’ (1%). Large regional variations in expenditure on social care were observed: Southern regions spend significantly less and also collect significantly less in user fees. Financing of childcare services is similarly shared between government levels with national funds playing an important role. Uneven regional coverage and user fees up to age 3; free of charge and higher coverage above age 3. 2010: pilot programs for extending coverage ages 2 and 3, including some fresh money. But despite devolution of responsibilities for organization and delivery of social and care services to municipalities, a strong centralization of financial resources at the level of regional governments remains, which disempowers municipalities.

Austria

Childcare services: Split funding between state/federal and regional/county governments for above-3 years old; full funding by federal government for under-3 years old. Elder care: 2/3 federal and 1/3 province (or fixed amount for provinces). Municipal/local finances uncovered costs. Plus part of the income of the user (user fees) – including (in some provinces) part of the assets of recipients, and part of the incomes of close relatives. Services for the unemployed: Split funding between provinces and Employment Service Agency (federally funded). Extra funding from some municipalities.

Portugal

Na

Finland

Elder care: State and municipal taxes plus user fees. 2009: Municipalities allowed to introduce vouchers in the distribution of municipally funded social and health services.

Czech rep

Na

Denmark

2007: Number of municipalities reduced from 271 to 98.

Hungary

Na

Sweden

Na

UK

Na

Iceland

2011: Care for disabled people devolved fully to local government level, including funding.

Switzerland

Social and care services for families: Legal responsibility of Cantons (regional governments). Wide variety of funding arrangements between Cantons. Federal Law on Financial Assistance to some extent counters uneven provision between Cantons. Social services and care for the elderly: Big differences between Cantons.

Norway

Merger of national social security agency and national employment agency starting 2005-finalised 2010. Municipalities are financially responsible for the provision of most social and care services, including social assistance (a cash benefit). Municipalities finance services (and other responsibilities) through own taxes, supplemented by block grants from the state. Block grants are awarded according to a “cost key” designed to capture differences in social service outlays in the different municipalities (differenciating the block grant according to the percentage of elderly, people with disabilities, children, new immigrants, single parents and so forth residing in the municipality).

(*) The authors are the same as those listed in table 3. WG1 National reports will be made available in the COST Action IS1102 website at http://www.cost-is1102-cohesion.unirc.it/
Service Quality, Customer Satisfaction, Perceived Value and Brand Loyalty:  
A Critical Review of the Literature  

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Abstract  
In increasing competitive markets, retaining actual customers and gaining new ones is the main aim of businesses. Businesses choose different ways for achieving customers and profits. One strategy businesses should adopt is building loyalty. Brand loyalty is seen as a successful mean of achieving market share and competitive advantages. While a lot of research exists to physically tangible products in their branding, little study has been given to branding in the services area. Given the significance of services to the global economy, this absence is worthy of further investigation. The main objective of this paper is to examine brand loyalty and some of its determinants in the service area. It uses secondary data from the existing literature to describe the importance of service quality, perceived value and customer satisfaction to brand loyalty. The findings demonstrate that customer satisfaction, perceived value and service quality are important constructs that determine brand loyalty. But research shows different scale of contribution of the single constructs to brand loyalty. These constructs must be studied interlinked with each other and with brand loyalty. Most of the research is done in developed countries. There is a need for further research according these constructs in developing countries, in different service settings and in different developing cultures.  

Keywords: brand loyalty, customer satisfaction, service quality, perceived value  

1. Introduction  
The last decades, economies worldwide have undergone extensive social and economic transformation. One of the most important of these transformations is the growth of the service sector. Today, service sector is one of the most important of the economic activity of any society and is closely related with all other sectors of the economy. Service sector as other sectors is characterized by strong competition. Companies are always striving to retain existing customers and gaining new ones. In this increasingly competitive market, it is very important for any service organization to maintain strong and continuing relationships with customers. This will help it in the long term.  
Loyalty is found to be an important construct of the long term financial performance of business firms (Reichheld, 1996). Many researchers (Aaker, 1996) think that brand loyalty is a premise to the firm’s competitiveness and profitability and should be a strategy of achieving competitive advantages. So, brand loyalty is a very important construct for a firm to be a good market competitor. As a reaction to the significant increase in competition, for companies became fundamental creating and maintaining loyal customers. Businesses should seek to increase and maintain the share of customers. They must enclose customer loyalty within their business strategy. This is especially true for service firms where increased loyalty can largely increase profits which allow an organization to grow (Reichheld, 1996). The loyal customers help in doing marketing for the service provider and also they are more motivated to inform the management about a potential problem (Bowen and Shoemaker, 1998).  

2. Brand loyalty  
The final objective of the marketing process should be to hold existing customers, to gain new ones and to turn these
customers into loyal ones and to keep and cultivate this relationship. From several decades, researchers and practitioners have recognized the importance of brand loyalty in the marketing literature (Aaker, 1996). Many researchers have studied brand loyalty and have found that it is an important issue of the marketing activities of an organization.

Different authors have given different definitions of loyalty. The most comprehensive definition of loyalty is forwarded by Oliver (1999). He states that brand/customer loyalty is a deeply held commitment to re-buy or re-patronize a preferred product/service/brand consistently in the future, thereby causing repetitive same brand or same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

Loyalty can be important and valuable to both customers and the service provider. According to Aaker (1996), brand loyalty allows firms to employ price premium strategies. These strategies increase the level of cash flow. As loyal customers buy repeatedly the brand, they spend more on it and not only in one certain product but also in different products of the brand. The study of Bowen and Shoemaker (1998) found that loyal customers may return and purchase more in the service provider, perform partnership activities and are more likely to use other services of the service provider. Their study on the hotel industry, also showed that the loyal customer encourage other people to use the hotel service. In spreading the word of mouth they help the organization on doing marketing for it and help in reducing the marketing expenses of the organization.

Reichheld (1996) showed that a 5% increase in customer retention consistently resulted in 25-100% profit increase, depending on the type of the service. So, brand loyalty leads to bigger market share as the same brand is purchased continuously. As the loyal customers use the same brand they are more confidential with it and as a result the level of trust on the brand is higher and the level of the risk of the loyal customers or other customer who they advice the service provider is reduced (Bowen and Shoemaker, 1998).

Brand loyalty, as an important instrument of marketing strategy, leads to many advantages. According to Rowley (2005), some of the benefits of brand loyalty are:

- lower customer price sensitivity
- reduced expenditure on attracting new customers
- improved organizational profitability.

According to Delgado-Ballester and Munuera-Aleman (2001), brand loyalty generates value to companies. It leads in:

- a substantial entry barrier to competitors
- an increase in the firm’s ability to respond to competitors threats
- greater sales and revenues
- a customer base less sensitive to the marketing efforts of competitors.

In the existing literature, customer loyalty has been defined and measured from different perspectives. The first is the behavioral perspective, the second the attitudinal perspective and the third one is composite loyalty (behavioral and attitudinal loyalty). So there are three main views of research in loyalty: one dimension of behavioral loyalty (Kandampully and Suhartanto, 2000), one dimension of attitudinal loyalty (Bennett and Rundle-Thiele, 2004) and two dimensions or composite loyalty (Day, 1969; Jacoby and Chestnut, 1978; Dick and Basu, 1994, Pritchard et al., 1999).

From the behavioral view, customer loyalty is defined as patronage, the proportion of times a consumer chooses the same service compared to the total number of purchases made by the consumer in that category (Rundle-Thiele and Bennett 2001).

Attitudinal loyalty is an attitudinal predisposition that consists on commitment to a brand, intention to repurchase the brand and an overall attachment to it (Mellens et al., 1996). Attitudinal concepts are manifested in providing positive word of mouth and recommending the service to the others (Zeithaml et al., 1996) and encouraging others to use the service (Bowen and Shoemaker, 1998).

The use of both behavioral and attitudinal components of loyalty was first proposed by Day (1969). According to Dick and Basu (1994), customer loyalty is the result of psychological processes and has behavioral manifestations, and should therefore incorporate both attitudinal and behavioral components. According to Jacoby and Chestnut (1978), brand loyalty is a construct that has both attitudinal and behavioral elements when defined as the biased (nonrandom) behavioral response (purchase) expressed over time by some decision-making units with respect to one or more alternative brands out of a set of such brands, which is a function of psychological (decision making, evaluative) processes.

There are several studies exploring the antecedents of loyalty. They show that loyalty is a complex issue. Different studies have shown that service quality, customer satisfaction and perceived value are frequently viewed as good predictors of brand and customer loyalty (Chen, 2008; Cronin et al., 2000). These studies have determined the
relationships among customer perceptions of service quality, perceived value, customer satisfaction and post-purchase behavioral intentions (Chen, 2008; Cronin et al, 2000). According to Cronin et al. (2000), and Chen (2008), these constructs have been shown to be good predictors of behavioral intentions.

3. Customer Satisfaction

There is a lot of research about customer satisfaction. This research has aimed at exploring satisfaction and its outcomes. Many empirical studies show that satisfaction is a predictor of brand loyalty for consumer services (Pritchard et al., 1999).

When consumers are satisfied with the product or the service they are more prone to return and buy it again. This leads to a continuous behavior of the consumer and to a long term relationship. Studies on this field consider consumer satisfaction as a determinant construct leading to consumer behavior (Garbarino and Johnson, 1999). Different studies have proven that brand satisfaction is strongly correlated with the intention to repurchase and recommend (Kandampully and Suhartanto, 2000). Client satisfaction is generally assumed to be a significant determinant of repeat sales, positive word-of-mouth, and consumer loyalty (Kandampully and Suhartanto, 2000).

The theory of the expectancy disconfirmation was developed by Oliver (1980) and has been the base for conceptualizing customer satisfaction in retail and service industry from different researchers. Oliver (1980) proposed that satisfaction level is a result of the difference between expected and perceived performance. According to Zeithaml et al. (1996), the level of customer satisfaction depends on the ability of the supplier to meet the customer's norms and expectations.

Giese and Cote (2000) state that does not appear to be a consensus regarding the definition of customer satisfaction despite many attempts to measure and explain it. They think the way satisfaction is defined is important on interpreting its response. They think customer satisfaction is an affective response that varies in intensity, pertains to a particular focus and occurs at a particular time and is limited in duration. Satisfaction with previous purchase experiences plays an important role in determining future purchase behaviors (Pritchard et al., 1999). Several studies have stated that consumer satisfaction positively influences loyalty (Bowen and Shoemaker, 1998). Empirical evidence confirmed that satisfaction has strong influence on loyalty intention such as intention to recommend and intention to repurchase (Kandampully and Suhartanto, 2000). The study of Cronin et al. (2000) showed strong relationship between consumer satisfaction and loyalty.

In service industries is necessary a high level of contact between service providers and customers. The greater customer satisfaction with the service provider and with the all service experience, the more they feel they can trust both the organization itself and the personnel that provide its service.

Customer satisfaction is e requisite for loyalty but it is not for sure that satisfied customers may become loyal ones. Researchers have suggested that satisfaction is a necessary but not a sufficient condition for loyalty. This because satisfied customers would turn to other service providers whom they believe could offer them better value and quality (Bennett and Rundle-Thiele, 2004). Customer loyalty is not the same as customer satisfaction. The service provider can attain customer satisfaction without their loyalty, but it is difficult to have customer loyalty without their satisfaction (Shoemaker and Lewis, 1999). According to them, loyalty extends beyond simple satisfaction.

Most of the studies according customer satisfaction and loyalty only test the relationship between customer satisfaction and loyalty (Oh, 1999). So there is need for other research on customer satisfaction and brand loyalty in different service industries as this in may lead to different results.

4. Service quality

In recent decades, service quality has taken a lot of attention among practitioners, managers and researchers. This is attributed to the growing role of the service sector in the global economy. Many service firms have been using service quality as a differentiation tool. Service quality has a significant impact on business performance, business costs, customer satisfaction, customer loyalty and profitability (Seth et al., 2005). In the growing competitiveness, companies selling goods also are enriching their offer by using services. It is not easy to make evaluations through services' quality comparisons. This difficulty derives from the four distinct characteristics of services; intangibility, perishability, inseparability and heterogeneity. As a result, it is more complicated to achieve customer satisfaction and to establish competitive advantage in the service sector. The same, excellent quality must be delivered any time the service is delivered. So, service quality is crucial to the success of any service organization. Zeithaml (1988) defined service quality as the assessments of the costumers about a product's overall excellence or superiority. He states that services are
and indirect effects on behavioral intentions. He suggests and proves empirically that service quality and perceived value the higher the client overall satisfaction with the service provider.

The results indicated that perceived value significantly affects customer satisfaction. So, the higher the different customers. Some researchers have suggested that perceived service quality is an antecedent of customer satisfaction (Anderson and Sullivan 1993; de Ruyter et al., 1997). Others sustain that customer satisfaction precedes perceived service quality (Zeithaml and Bitner, 2003). This confusion about the relationship between satisfaction and perceived service quality may derive from absence of consensus on the definition and of the two constructs. The relationship between quality and satisfaction is complex.

The constructs of service quality, perceived value, and customer loyalty have been gaining increasing prominence in the marketing literature and in business practice and these constructs will continue to be critical (Parasuraman and Grewal, 2000). The study of Parasuraman and Grewal (2000) and previous ones support the general notion that service quality may derive from absence of consensus on the definition and of the two constructs. The relationship between quality and satisfaction is complex.

The concept of perceived service quality is closely related with satisfaction and loyalty. In practice, service quality and satisfaction are often used interchangeably. Anderson and Sullivan (1993) state that satisfaction requires previous consumption experience and depends on price, while quality can be perceived without previous consumption experience and does not normally depend on price.

Dick and Basu (1994) proposed that customers’ belief to the service quality should lead to repeat patronage and increase their number of brand loyal customers.

Zahorik and Rust (1992) think that affecting perceived quality as an influencing factor of customer loyalty will provide significant ability to any model that includes customer loyalty as a dependent construct. Previous research has confirmed that the relationship between perceived quality and repurchase intentions, willingness to recommend and customer loyalty exists and is positive (Anderson and Sullivan 1993). As the matter of fact service quality has been identified as an agent that is able to affect directly customer satisfaction, repetition of purchase behavior and guarantee organization’s long-term profitability (Zeithaml and Bitner, 2003).

Some researchers believe that service quality has a positive effect on brand loyalty (Zehir et al., 2011). Other researchers (Kim et al., 2008) have not found a direct and significant relationship between service quality and brand loyalty. Cronin et al. (2000) reported indirect relationship between service quality and behavior intentions in several service environments. Athanassopoulos et al. (2001) found that the customer satisfaction dimensions are industry specific and also country specific. So other studies in service quality and brand loyalty are needed.

5. Perceived Value

Many researchers suggest that customer perceived value is a strategic weapon in attracting and retaining customers and is one of the most significant factors in the success of service providers (Zeithaml, 1988; Zeithaml et al., 1996; Woodruff, 1997). According to Zeithaml (1988), perceived value is the customer’s overall assessment of the utility of a product based on perceptions of what is received and what is given. Gale, (1994) assesses that customer value is market perceived quality adjusted for the relative price of your product and depends on the customer’s opinion of products/services as compared to that of the competitors. According to Woodruff (1997), perceived value is the result or the benefit customers receive in relation to the price paid for the product/service.

The construct of perceived value has been identified as one of the most important elements for gaining competitive advantage and a very important indicator of repurchase intentions (Parasuraman and Grewal, 2000). Several authors state that perceived value affects satisfaction, customer loyalty, and other important outcomes (Cronin et al., 2000). Empirical research has shown that perceived value is a key determinant of repurchase intention (Cronin et al., 2000). Hu et al., (2009) performed a study to investigate the linkages among service quality, satisfaction, perceived value and image. The results indicated that that perceived value significantly affects customer satisfaction. So, the higher the perceived value the higher the client overall satisfaction with the service provider.

The study of Tam (2010) within the context of restaurant industry, suggests that perceived value has both direct and indirect effects on behavioral intentions. He suggests and proves empirically that service quality and perceived value
are antecedents of customer satisfaction and client loyalty is a consequence of customer satisfaction. According to Dodds et al. (1991), the perception of value directly influences willingness to buy.

The results of the study of Oh (1999) showed that perceived value is an immediate antecedent to customer satisfaction and repurchase intention. It also affects directly and indirectly word of mouth through customer satisfaction and repurchase intention.

Research studies have suggested that perceived value may be a better predictor of repurchase intentions than customer satisfaction or service quality (Cronin et al., 2000; Woodruff, 1997). Some researchers have found that service perceived value is an antecedent of satisfaction, behavioral intentions (Cronin, et al., 2000; Dodds et al., 1991) and customer loyalty (Dodds et al., 1991). So, perceived value has a critical mediating role and a direct positive relationship with customer loyalty (Lemon et al., 2001). Furthermore, perceived value is found to have a significantly positive effect on overall satisfaction and both of them reveal significant positive effects on behavioral intentions in the airline service context (Chen, 2008).

Cronin et al., (2000) conduct a study to examine the effects of service quality, perceived value, and customer satisfaction on consumer behavioral intention in service environments. They found that service value is received primarily from perceptions of quality. So, in order of having service value consumers must view service quality of greater importance than the sacrifices they made. An important objective for delivering value to customers is to develop loyal customers who can increase purchase frequency, purchase quantity, and avoid switching behavior (Rust et al., 2004). According to de Ruyter et al., (1997) and Tam (2010), the role of perceived value in consumer behavior has received far lesser attention than service quality and customer satisfaction. Other studies are necessary to explore the role of perceived value.

6. Conclusions

Factors such as service quality, consumer satisfaction, and value are frequently viewed as key building blocks of customer loyalty (Chen, 2008). Cronin et al., (2000) provided evidence that customer satisfaction, value and quality directly influence behavioral intentions. A higher quality of service, perceived value and high levels of satisfaction can result in positive behavioral intentions and ultimately loyalty. In general authors agree that service quality, customer satisfaction and perceived value are important antecedents of brand loyalty. But only a few of them study these constructs as interlinked. They are intangible, complex and relatively vague, but also strategically important concepts. There are only a few researches which study the relationship between these factors in the same context. There is a need for studying these factors interlinked in the same context in different service industries. No research has simultaneously compared the relative influence of these three important constructs on service encounter outcomes (Chen et al., 2000). This gap generates a new call for a research to examine simultaneously the relative influence of these constructs towards brand loyalty in the service sector. Also, most of the studies till now are done in developed countries, so there is a need to validate these models in developing countries, across different settings and cultures. According to Bowen and Shoemaker (1998), customer loyalty is particularly important to the hotel industry because of the strong competition. There are not similar studies in Albania. As tourism is considered an important means of development, there must be studies on it. The hotel sector is an important part of the holistic and tourism industry.

References


Cyberstalking Nature and Response Recommendations

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Abstract

Cyberstalking is a special form of stalking and involves the use of information and communication technologies as the means and the medium of harassment or intimidation. Cyberstalking can lead to significant and long lasting psychological, economic or even physical effects, and can be a platform for the commission of violent crimes. In the last decade, cyberstalking has received significant attention from researchers, lawmakers, policy officials, and law enforcement agencies. Yet, although there is a significant body of literature on the topic, which recognizes cyberstalking as a very serious and growing problem and discusses various aspects of it, we believe that the phenomenon is not sufficiently examined, particularly considering the rapidly evolving technologies, which give perpetrators unprecedented capabilities. In this paper, in an interdisciplinary approach, we review relevant research and look into the criminalization of cyberstalking. Our paper extends existing knowledge of the phenomenon by analyzing a number of recent real cases, obtained mainly through an online legal research service, to reveal the nature of cyberstalking. We outline the most important aspects and issues raised by this phenomenon and make a number of recommendations as possible solutions to mitigating the risk, from education and awareness to adequate technology and legal response.

Keywords: Cyberstalking, Cyberharassing, Information and Communication Technologies, Malware, False personation.

1. Introduction

Cyberstalking is a specialized form of stalking (Reyns, 2010) and involves the use of information and communication technologies as the means and the medium of harassment or intimidation. Cyberstalking represents a violation of several fundamental human rights, such as the right to life, liberty and security, and can represent a very serious interference with the victim's privacy, family or correspondence. In recent years, due to a number of high profile cases, some ending tragically for victims, cyberstalking has received significant attention from policy makers and researchers (Huffman & Overton, 2013; Reyns et al., 2012; Rowan, 2012; Reynolds et al., 2011; Lipton, 2011; Wang & Kraft, 2010; Baer, 2010; Salter & Bryden, 2009;Sheridan & Granta, 2007; Pittaro, 2007; Goodno, 2007; Petrocelli, 2005; Spence-Diehl, 2003; D’Ovidio & Doyle, 2003; Spitzberg & Hoobler, 2002; Ellison & Akdeniz, 1998).

There is no generally accepted definition of cyberstalking; moreover, as Lipton (2011) observes, there is significant overlapping between 'cyberstalking', 'cyber-harassment' and 'cyber-bullying'. In general, 'stalking' is defined as persistently or obsessively harassing someone in ways that alarm, torment, intimidate or frighten them. Some legal commentators, such as Ajmani (2011) or Parsons-Pollarda & Moriarty (2009), believe that cyberstalking is a new form of stalking. According to the definition proposed by Bocij and L. McFarlane (2002), cyberstalking is a group of behaviors in which an individual, group of individuals or organization uses information and communication technologies to harass one or more individuals; such behavior may include, without being limited to, the transmission of threats and false accusations, identity theft, data theft, damage to data or equipment, computer monitoring and the solicitation of minors for sexual purposes. In some cases, the illegal behavior can span a very long time, more than three decades in one case (e.g., U.S. v. Shrader).

According to Baum et al. (2009), roughly 1 in 4 stalking victims reported some form of cyberstalking, such as e-mail (83%) or instant messaging (35%), while electronic monitoring and Global Positioning System (GPS) technology were used in a number of cases. The criminal phenomenon of cyberstalking is difficult to quantify; as King-Ries (2011) remarks, data on cyberstalking is still in its infancy. As cyberstalking can have a very negative impact on victims, resulting in anxiety or fear and loss of trust in people, it needs to be effectively addressed by stakeholders.
There is a significant body of literature on cyberstalking, which discusses various aspects of the phenomenon, including several classifications. According to Brenner (2010), there are four categories of cyberstalkers: the ex-partner, the romantic fantasist, the dangerous obsessed, and the sadist. McFarlane & Bocij (2005) propose a classification that contains the following types of stalkers: composed, intimate, collective and vindictive. However, in accord with Nobles et al. (2012) and Parsons-Pollarda & Moriarty (2009), we believe that the nature of the phenomenon is not sufficiently known, that more research in the field is needed, particularly considering rapidly evolving technologies, such as malware, social media, geotagging and geocoding, which give perpetrators unprecedented capabilities.

In this paper, we address this need for an in-depth examination of the nature of cyberstalking. To that end, we studied over one hundred real cases brought before courts, the vast majority obtained through an online legal research service. We also studied releases from the U.S. Department of Justice (USDoJ) and articles published on news sites. We report the most relevant cases with respect to perpetrator's profile, relation with victim, and course of conduct involved.

The rest of this paper is organized as follows: in the next section, we look into the criminalization of cyberstalking in several jurisdictions. Next, based on the cases studied, we outline the nature of cyberstalking. Finally, we draw our conclusion, which includes a number of response recommendations.

2. Criminalization of cyberstalking

Although a relatively new criminal phenomenon, cyberstalking is criminalized in virtually all U.S. and E.U. states. In the U.S., a person can be found guilty of cyberstalking under 18 U.S.C. § 2261A: the perpetrator must act “with the intent to kill, injure, harass, or intimidate another person”, and, in doing so, places the victim in reasonable fear of death of, serious bodily injury to, or causes substantial emotional distress to that person; a person may also be found liable if reasonable fear of death, serious bodily injury, or emotional distress happens to a person’s immediate family member, spouse, or intimate partner. There are recent legislative bills that aim to better address the issues raised by cyberstalking and help law enforcement to more effectively target the perpetrators.

Several U.S. states have enacted cyberstalking laws that explicitly include electronic forms of communication within more traditional stalking laws. These laws, however, are not uniform, varying in terms of conduct criminalized, standards that would trigger prosecution, penalties, and/or protection offered for victims. California was the first state in the U.S. that criminalized cyberstalking: according to California Penal Code (Section 646.9), “Any person who willfully, maliciously, and repeatedly follows or willfully and maliciously harasses another person and who makes a credible threat with the intent to place that person in reasonable fear for his or her safety, or the safety of his or her immediate family is guilty of the crime of stalking” (“credible threat” is defined as “a verbal or written threat, including that performed through the use of an electronic communication device”). According to California Civil Code § 1708.7, “a person is liable for the tort of stalking when the plaintiff proves all of the following elements of the tort: (1) the defendant engaged in a pattern of conduct the intent of which was to follow, alarm, or harass the plaintiff” and “(2) as a result of that pattern of conduct, the plaintiff reasonably feared for his or her safety, or the safety of an immediate family member”. In the state of Florida (784.048), cyberstalking is defined as “means to engage in a course of conduct to communicate, or to cause to be communicated, words, images, or language by or through the use of e-mail or electronic communication, directed at a specific person, causing substantial emotional distress to that person and serving no legitimate purpose”. In the state of Louisiana (§40.3), cyberstalking is defined as the action of any person to accomplish any of the following: “(1) Use in electronic mail or electronic communication of any words or language threatening to inflict bodily harm to any person or to such person’s child, sibling, spouse, or dependent, or physical injury to the property of any person, or for the purpose of extorting money or other things of value from any person; (2) Electronically mail or electronically communicate to another repeatedly, whether or not conversation ensues, for the purpose of threatening, terrifying, or harassing any person; (3) Electronically mail or electronically communicate to another and to knowingly make any false statement concerning death, injury, illness, disfigurement, indecent conduct, or criminal conduct of the person electronically mailed or of any member of the person’s family or household with the intent to threaten, terrify, or harass; (4) knowingly permit an electronic communication device under the person’s control to be used for the taking of an action in paragraph (1), (2), or (3)”.

In the E.U., there is no consensus as to the definition of cyberstalking (Modena Group on Stalking, 2007). Underlining the dangers presented by this criminal phenomenon, one recent document calls on the European Commission to have the crime of stalking/cyberstalking included in the new Criminal Justice Bill for the European Union amendment for Victims’ Rights (European Commission, 2010).
3. Nature of cyberstalking

The cases we studied show that cyberstalkers present virtually no restriction with respect to age, gender, marital status, sexual orientation, and ethnic, cultural, economic or intellectual background. In one case, a 12-year old girl was convicted of cyberstalking (Myers, 2011). In some cases, perpetrators knew the victim, while in other cases the victim was found through search engines, online forums or social networks (such as MySpace, Facebook, Friendster, Twitter etc.). In a number of cases, cyberstalking involved spouses that broke up (e.g., People v. Rosa and U.S. v. Walker). In some cases, the perpetrator had the victim in a romantic or sexual relationship (e.g., Vrasic v. Leibel), while in other cases the perpetrator was seeking a romantic or sexual relationship, victims being, often, a celebrity, such as an actress (U.S. v. Gagnon) or a model (Miles, 2012; Schram & Amos, 2012). The victims of cyberstalking are mostly women, of virtually any age or ethnicity. Cyberstalking has various motivations, from revenge and hate, to erotic obsessions. A number of perpetrators suffered from bipolar disorder (e.g., U.S. v. Juliano or U.S. v. Stacy) or schizophrenia (e.g., U.S. v. Gagnon).

We found that perpetrators met their victims in a large number of settings. For instance, in State v. Gandhi, defendant initially met the victim through a mutual friend. In U.S. v. Infante, the defendant met the victim at University. In People v. Chase, the perpetrator and the victim were next-door neighbors. In People v. Casarez, perpetrator met the victim at work. In one case (USDoJ, 2010), victims were customers of an online store that operated a fraudulent scheme by selling counterfeit and inferior quality goods and making unauthorized charges; when victims complained, they were cyberstalked through a campaign of aggressive, obscene, and intimidating conduct. In People v. James, perpetrator and victim became acquainted while attending a vocational program.

In some cases, perpetrators did not know the victim previously. In People v. Costales, victim used an "open profile" MySpace account to market her music; she received a large number of disturbing e-mails from a Michigan person, a stranger for her. In People v. Corleone, perpetrator met the victim via an advertisement for "adult services", posted on the Craigslist website. In U.S. v. Crisman, perpetrator stole customer information at Best Buy to cyberstalk the customers he found attractive.

With respect to the course of conduct, we noted that electronic communications and creation of fake websites or advertisements are very often used by perpetrators. In People v. Corleone, perpetrator created a webpage on MySpace and portrayed the victim as a prostitute, whose mother was her "pimp". In U.S. v. Sayer, perpetrator created a fake Facebook account for a former girlfriend, fictitious Internet advertisements and social media profiles using victim's name, the fictitious Internet postings including victim's address and an invitation to visit her for sexual encounters. In People v. Rosa, false personation was involved, perpetrator placing on a website photographs of his former wife in the nude and advertisements that the victim was keen to meet men for oral sex. In Vrasic v. Leibel, the perpetrator sent offensive letters and a naked photograph of victim to those on his contact list and created a website on victim's name to pre-sell her book and to post an excerpt that included defamatory statements about him.

In State v. Gandhi, the course of conduct consisted of sexually graphic and threatening e-mails, which contained the details of the defendant's desire to have sex with the victim. In U.S. v. Grob, after the couple broke up, perpetrator sent his ex-girlfriend a large number of threatening e-mails and text messages (e.g., "I'm going to slit your throat"), some messages having attached photographs of dead and dismembered women. In U.S. v. Bowker, perpetrator sent several e-mails with attached photographs with verbal captions, one caption referred to the victim as being shot with a pellet gun. In U.S. v. Petrovic, during the relationship with the perpetrator, victim occasionally allowed the taking of pictures of her in the nude and while performing various sexual acts, and confided in the perpetrator, revealing intimate or personal information in text messages (such as the sexual abuse suffered as a young girl, suicidal thoughts, and family secrets), all subsequently posted by the perpetrator on a website, who also sent photographs of victim engaging in sex acts to various people, from victim's boss to her family members. In State v. Hemmingway, perpetrator's e-mail and text communications with his ex-wife threatened her ("I have not killed anyone in a long time. I don't know who's going to be first, you or me"). In U.S. v. Walker, as part of the battle for child custody, the perpetrator forced his child to send e-mails composed by him, containing derogatory words, such as "whore" or "bitch", and threats to harm the victim, to his former wife. In U.S. v. Juliano, defendant threatened e-mails, causing substantial emotional distress to the recipient and placing the victim in reasonable fear of serious bodily injury. In People v. Casarez, e-mail and text messages were used to insult and scare the victim ("How is my dirty little whore" and "did I mention I tested HIV positive?"). In People v. Chase, perpetrator sent threatening e-mails to the victim ("there will be hell to pay").

In a trans-border case reported by The Economist (2011), the perpetrator sent to a mezzo-soprano about 4000 Internet messages over a period of five years, depicting the victim as a talentless, sex-crazed swindler. Internet and text messages were used by Allen (USDoJ, 2012) to communicate with a number of female victims, telling them that he found naked pictures of them on the Internet and threatened victims that, unless they take their clothes off and engage in sexual...
conduct, those naked pictures would be released online. In *State v. Nahimana*, perpetrator sent communications from his MySpace account to the victim's account. Campbell (USDoJ, 2011a) stole a number of private photographs and videos that were stored on victims' computers and posted the stolen files on various websites, to harass and cause emotional distress to victims.

Electronic surveillance is increasingly used by cyberstalkers: for instance, the use of malware, such as the use of RemoteSpy to spy on victims (*Federal Trade Commission v. Cyberspy Software, LLC*) or of keylogger programs to observe victims' Internet usage (USDoJ, 2011), or the use of Global Positioning System technology, to track the location or movement of victims (*U.S. v. Curley*).

4. Conclusion

Cyberspace presents numerous opportunities for cyberstalkers. Cyberstalking has become a very real problem in today's world, one that can have devastating consequences for victims, especially in cases of obsession or derangement. Virtually everybody can become the victim of cyberstalking. Perpetrator's conduct can include annoying or threatening e-mails (including threats of rape and physical violence or lustful, obscene or vulgar words), malicious comments on websites or false website ads, illegal access to victim's e-mail account, impersonation in chat rooms, creation of webpages pages under victim's name, publication of Twitter posts, posting of nude photos or lewd videos on Facebook, use of malware etc.

During our research, we found an alarming number of cyberstalking cases, many inflicting significant emotional distress or mental anguish on victims. Due to several characteristics of the online environment, such as perceived anonymity, easiness in meeting and contacting victims, and reduced chances of apprehension, we can only expect that cyberstalking will become increasingly prevalent. It is important that educational programs address these online risks and the various methods employed by perpetrators, so that potential victims would limit the opportunities available to cyberstalkers. It is also important that users protect their online privacy and secure their computer data, use technology to block out unwanted messages, use improved identity management technology, and learn how to preserve the evidence of the illegal conduct.

There is a clear need for a streamlined procedure for the take-down of webpages in situations of false personation. There is also a need for an improved legal framework, to effectively address this criminal phenomenon, which we consider under-prosecuted, including tougher punishment for such crimes. Moreover, as cyberstalking is an international criminal phenomenon, we believe that it must be included in the Convention of Cybercrime and in a future global Cyber Treaty, to allow cooperation in the gathering and sharing of evidence, and in the bringing of perpetrators to justice.

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National Identity through Musical and Poetic of Albanian Lullaby

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Abstract

This topic is intended to bring to the attention of the audience lullabies for children, as part of an individual and family life cycle and representation part of the national identity. Lullabies in Albanian folklore are developed through expressive music means, ranging from the minimal level of poetic and melodic possibilities of music and language. They develop reaching up to crystallized musical and literary forms, to authentic lullabies and songs sung under the function of lullabies and that suit more or less to lulls condition. Lullaby composers have carefully created a harmony between the literary language content with the dialectical of provinces where the lullabies are sang. Metric, strophic and prosodic features of lullabies show that they excel while using the resonant effects that offers the Albanian language, this in accordance with their melody, a compatibility that to be useful is dictated by some specific features that dictates the function of this genre. In conclusion, such examples show that in general lullabies retain a powerful emotional conductivity which stems from the idea of a lullaby sang by the mother. Thus, they are represented on both the melodious side as well as the rhythmic and poetic side through a frequent repetition of the same motif, with a small vocal stretch and without distant intervals breakthroughs finding distinctive characteristics and features from one geographical area to another.

Keywords: lullaby, national identity, expressive tools, metric, prosodic and strophic features, motive.

Cradle songs or lullabies are an important part of values of the Albanian folklore and constitute an important asset of creativity and musical poetic lyricism of Albanian people. First of all, they are considered as a clear expression of national identity and of undeniable wealth by bringing, through this kind of literary poetry and music, lullabies examples that show that, lullabies in general preserve very powerful emotional conductivity; substantial variety formed over many centuries and studied as a separate type of poetry that contains human and social values as the real reflection of these relations. All lullabies, generally, maintain a strong emotional conductivity which stems from the idea of the lullabe, making it pleasant for children by conducting to children its melodic and rhythmic and poetic character. Secondly, lullabies are known for having stylist-structural expressive tools in the texts used for them, defined by the mother's desire to artistically communicate with her child by using poetic figures as comparison, metaphor, epithet etc., and by reaching the ultimate goal of putting the child to sleep, as well as expressing all the wishes for the welfare of the child, with all the virtues and values that should characterize the child. Thirdly, lullabies are known for their musical and expressive means and different melodic features that are conveyed not only by one regional area to another, but also within the province due to the simplicity of musical construction, melodic expansion that is generally limited, with little exceptions, their recitative-melodic character, the soft tone of the voice, the sweet and peaceful sounds, peaceful and playful rhythms, musical ornaments, etc. Fourth, lullabies and not only them, are a clear expression of national identity, and an undeniable wealth brought by this kind of literary and musical lyricism.

The combination of literary and musical elements, sung with such simplicity, love and mastery of the mother, sister, grandmother or a relative of the child, have completed the main function of putting the baby to sleep. Synchronisation of these two elements of verse and melody has managed to preserve their double-functionality (artistic and utilitarian) (Daja F, 1982). Lullabies are developed in a very simple, clear, scalable and consistent way through expressive tools (Vasili K. – Doja A, 1990), which start from the minimal level of poetic-melodic possibilities of the language reaching up to crystallized musical-literature forms and getting to proper lullbies and songs sung under the function of lullabies, namely, to various lyric songs that fit more or less to [nanuritje] condition. Text and melody have an organic connection between them and do not function without each other. Often, the literary content and textes of lullabies are created taking care to create harmony between the literary content and melodic voice of the language or dialects of the language in those regions where lullabies are sang. Metric, prosodic and strophic features of the lullaby show that they stand for using the
resonant effects that s offered by the Albanian language in line with lullabies melody, a compatibility that to become usable, is dictated by certain traits that are define by such a genre like lullabies.

I. A clear expression of national identity through the content, which as per the artistic form and function that lullabies have forme through centuries by mothers, have created an assigned profile and today constitute a kind of folk poetry which continues be studied in many aspects such as literary, musical, content-like, social, psychological, aesthetic, all these as the development of human and social values and as a real reflection of these relations. Numerous developments, that place not only in the maternal psychological level but also in her sociological and economical level, have led to the creation of new lullabies based on new conditions, where the wishes of mothers vary depending on these conditions. A regional and geographical approach, from North to South, is pursued on those examples brought into the presented material.

II. Stylistic – structural expressive tools of lullabies lyrics. Lullabies are defined as separate type of the Albanian popular lyrics, as simple creations that throughout words, and later melody, aim to achieve the ultimate goal, putting the baby to sleep, but at the same time expressing the mother’s desire to spiritually and intimately communicate with her child expressing also her wishes for the welfare of the child along with all the virtues and values that should characterize him/her. All the structural and stylistic range used in these creations, make these songs quite original as both, their literary and musical arts perspective. In many studies examples, also in the detailed description of certain stylistic and structural lullabies of various provinces of Albania that are used for this material, lullabies are presented as monologues between the mother and the child. The lullaby “Nina – nin përkuini djalin” (the lullaby 7 - Shkodër) (Daja F, 1982), has the form of an intimate poetic monologue. It conveys, with a warm lyricism, the universal feeling of mother’s love for the child. The lullaby lyrics starts with the nina-nana, what is a liche for all cradle songs. The "character", to whom the mother runs the request or prayer on, is directed to care abort her child during the sleep (xhumë, o xhumë ku m’je vonue/ djalin tem ma ke harrue). Sleep, as in any lullaby, is here a personification, and roughly treated as God, which indicates the antiquity usage of the of these lullabies. The language used is simple, and proves that the beauty of art stands in simplicity. The literary figures used here are:

- Alliteration, which is located almost in every verse and gives rhythm to the poetry (hajde xhumë, ma merr me t’shpejtë);
- metaphorical epithet (arç i bardhë);
- antithesis (take flight, the bjerma again).

Strings are almost 8 syllable, what is also most used string in the Albanian folk creativity. The rhyme has no regular schedule. In poetry and strings with rhyme (të puthur) (xhumë, o xhumë ku m’je vonue/ djalin tem ma ke harrue) or internal rhyme (merre vrap e bjerma prapë). The emphasis is placed into syllables 1, 2, 4,6, 8 of the string. The structure of this lullaby is 8 syllable. The text of this lullaby is famous for the dialect of the language of the city where the lullaby originated. For example: the word xhum – gjumë (sleep); kij – qingji; berma- bjerma are exactly in the 2nd and 9th verse.

The lullaby “Nina – nina po t’perkuini " (example nr 23 - from Tropojë) (Daja F, 1982), essentially expresses the desire of the mother that her son make a comfortable sleep and grows in harmony with the surrounding environment. The sleep, in this case, is a personification. Although in this case the lyrics is not very much emotional, but mostly descriptive, its values lie in the aesthetic idea to express what makes the life of child that is sleeping, like playing in the gardens and collecting flowers to bring home, what constitute a universal metaphor and which stands as message for the renewal of the human society. The verse is tradicional one, 8 syllable, and with emphasis on the 3-7 syllable of the verse.

In the lullaby “Po vjen xhumi tuj mi vet-o" (example nr 32 - from Kaçanik, Kosovë) (Daja F, 1982), we have an excellent metaphor, where the author is a master of using exact strings. The most beautiful finding in poetry is the creation of the figure of the sleep. Sleep has come and is asking: A ka ra Vetoni me fjetë? (Did Veton yet go to sleep?) in the second two lines of the verse, without a stylistic lord, the answer is affirmed saying that the actions of the child are normal. This lullaby is sang at the beginning of the sleep while the child is persuaded and positively motivated by declaring that the child is among those regular children that sleep on time. As far as the repetition of the main motif in here, it seems that the emphasis of the same message, gets richer through changes of poetic through. Repetition of the same motif makes the lullaby more perceptible to the child, while the aim of this lullaby is to create a pleasant atmosphere. A characteristic of this lullaby is that the mother itself represent a different character from other lullabies by personalizing it to her child (to Veton).
The verse is traditional one, 8 syllable, and with emphasis on the 1-5 syllable of the verse. The song is short and there is only one verse where the idea comes complete.

The lullaby “Nini – no, nini – n” (Example Nr 52, from Vashaj – Elbasan), (Daja F, 1982), gives a clear picture of Albanian women with a rich inner world and with many moral values. She is willing to sacrifice for others, and also she expresses her love and care to her creatures. To the mother, the child is like a saint, whether it is boy or girl, and every mother has their own way of expressing feelings and wishes. To the son, she wishes a long life, to be brave, wise, honest and respected by others; and to the daughter, she wishes to grow healthy and beautiful. Here, in this lullaby, the mother sings to her daughter, therefore the lyrics have stronger messages than in the previous ones. She does not spare beautiful comparisons for her daughter, comparing her to the infinite beauties of the nature. Comparing her daughter to the bud flower serves to emphasize the delicacy, freshness and beauty of the child. The metaphor red-cheek expresses the wish of the mother for her daughter to be healthy, because for the people (in folklore) being healthy means being beautiful. This lullaby has at the end of each verse the supporting vowel o, which gives rhythm to the verses. Here, we don’t find the same of syllables in the verses, and the rhyme is ABC ABC.

In another lullaby “Nina – nana more bir”, example nr 89, (Daja F, 1982), from Korçë, for the mother, seeping means being peaceful, healthy, in good state, growth, and this shows clearly in the popular lyric (sleep because it is good for your health). The mother, apart from giving love to her child, also gives him/her security, what is essential for a healthy growth of the child (because mom does not let your hand alone... later I will come and wake you up). It is interesting how popular wisdom coincides with modern theories on child psychology. Here, the mother’s desire for her child is expressed through idioms (may be river takes ways his/her evil). In this lullaby, the rhyme is AABB, the verse is 8-syllables one, while the accents falls into syllables 1, 3, 6, 8. The figures that make this lullaby important are: personification (sleep), metaphors (I am your soul) and alliteration.

The lullaby “Nina – nina djalin -o” Example nr 68 (Daja F, 1982). This lullaby is rich with literary figuration or figurative language. We have here personification (to falling asleep), idioms (may be river takes ways his/her evil), escalation (may be evils will be taken by the river, may be the sea destroyes them), comparisons (my son is as brave as /dovleti/). Strings here are 8 – syllable, while the rhyme is aligned. The to last lullabies to analyse “Llaj – llaj djalën -o” Example nr 96 (from Kudhës – Vlorë) and “Llaj - llaj e nina – nana” Example nr 97 (from Vuno – Vlorë), (Daja F, 1982). In the first lullaby, the metaphor builds on the idea of the future family that will create the son. It, aesthetically describes his future bride like an eel in the water-stream, beautiful, energetic, and good enough to be the ideal future wife, at the same time to e strong enough to take care of the households. These wishes make the essence of human aspiration to design a satisfying future. The metaphor here, as the central figure, idolizes the woman as an aesthetic value. The verse has 8 syllables with an emphasis 1-7 syllable, with a coincide rhyme AA-BB.

While in the second lullaby, which aims to accompany the child at the moment before the child sleep, the mother wishes on the future profile of her son. The musicality of the first verse, where is set the spiritual mother-son relationship, will be followed by a second verse (the little one in nappy) which with gives empathy for the fragile status of the child as “little” and wrapped in his nappy (diapers) as tight. This idea is further strengthened in the third and fourth verse, where the curse on the nappy, in contrast, becomes the antithesis to sleep as a phenomenon that enhances and beautifies human being. The comparisons that are used here may you become big as your friends, expresses the perspective of the mother for her child, wishing her child to be peaceful and white like lamb, wise and powerful as the dragon, and being always the best among his friends. The verses here are 8-syllables, with an emphasis on the 3-7 syllable, and being completed here with the extra vowel - o at the end of the line.

Very interesting is the lullaby of the Italian Arbëresh - “Nina – nana”Example nr 113, (Daja F, 1982), Castriregio, Calabria – Italy, which is an evidence of how the Arberesh of Italy fanatically preserved the Albanian language. The Arbëresh woman expresses her love to her creation, through her desire for the child to sleep long, because sleep is healthy (may you sleep a lot - metaphor). The connection with the child, the mother expresses through the pronoun MY (my son) breastfeeding. The anafora hoj, through which start all the verses, gives rhythm and sweetness to the poetry. The rhyme (puthur), the verse is 8-syllable. Similarly as in the previous lullable, alliteration is missing here.
III. Expressive musical tools and various melodic characteristics, are conveyed in different ways not only from one territory to another, but also within one region. The simplicity of the music building, the generally limited melodic extention, mostly by the genre that they represent, with little differences from time to time, and more widely when they pass within the octav interval, soft timbre, the sweet and peaceful melody, playful and peaceful rhythm and musical ornamentation generally constitute melody Lullaby. Through the analysis made to some musical examples in this paper, we will look at lullaby characteristics in terms of their structure, rhythm in which they are sung, melody, melodic ornaments, all these characteristics that make them different from one territory to another.

III 1. Musical forms, which are easy, and we find them sometime built in the form of music periods and in the form of musical sentences. Generally, we find lullabies built in 2,3,4, or 2, 3, 4 musical periods. The second musical sentences or even the following ones are repeated and are similar to each new verse. But within this similarity we see characteristic changes that distinguish and make them distinct from each other because of interpretation or regional melodic characteristics. Despite the very small changes observed during musical construction of the lullaby melody, each repetition of musical phrases and periods generally ends with reinforcement of the musical thought in the form a cadence support. Very special by its structural building, interpretation or regional melodic characteristics. Despite the very small changes observed during musical similarity we see characteristic changes that distinguish and make them distinct from each other because of musical sentences or even the following ones are repeated and are similar to each new verse. But within this form of musical sentences. Generally, we find lullabies built in 2,3,4, or 2, 3, 4 musical periods. The second which are easy, and we find them sometime built in the form of music periods and in the form of music periods and in the
superior açakatura, these show that the melody of the song retains and conveys instrumental elements as well as vocal ones that imitate the lute instrument. In another example, we see the link between sounds and words, and melizamtike links where over a single syllable there come around manye sounds (example 68). In examples 96 and 97 we have the singing of the solo lullabies of these region, we call it also a phenomenon, because the singing in the south Albania is famous for singing in gorup or differently called polyphonia. The lullaby, taking into account its account that is sang in solo, and the mother that sinus the lullaby in this region, preserves the role of the taker that is part to the polyphony sonës of this area, and she starts and finishes her song, alone. As far as regards the harmony, the song (example 96) sits in harmonious piedestal (ostino) in the musical note SI that, independendy it has no ISO, and is not part of the ISO – Polyphonic songs, it gives the impression that ISO is being sang in the background. This gives more harmoniousy and enriches the song, no matter how seemingly built on the basis of three sounds SI; DO #; Re #; SI; (H; C#; D#; H).

Melodic extension (example 97) is in the range of pure kuartet of the interval (4P = 2 ½ T) more exactly in the musical notes Re and La (D and A), or La and Re (A and D), despite that she starts with the musical note DO (C), the ostinato base is the note LA (A) which is a fature of the music of the south. This is a simple lullaby, but the decrease in the pure (4P = 2 ½ T), in notes RE and LA (D and A) it comes a bit un-prepared, but still it is very organic and original and natyral. She forms a melos, supported in the pedal LA (A), that is enriched with the set of notes pure (4P = 2 ½ T) in notes LA; SI; DO; RE; (A; H; C; D) specifically 1T +1/2 T + 1 T. Thi sis intertwined with rhythmic figures while adapting to the syllable process of the words. This lullaby has a narrative character, expresses spiritual tranquility of the the mother and her wish that the son becomes as strong and hardworking fas his riends. These features are clearly expressed through literary figures as lambs, dragon, etc.

Ninulla (example 52) is on of those not very frequent lullabies that is sung to girls, what speaks of a patriarchal society what is mostly transmitted through conservation of her delicacy and fragility and illustrated through elegant melody that is noticed in the first motif. This example differs from many other lullabies because it start with the pure kuart interval, that is supposed to have the basic musical notes of the lullaby, like Mi; La; and also enriched with a solution of the second measure, in (nëntonikë) with a new musical note, a sound which prepared through crown a reversal of the motif. From its melorhythm, this motif varies by using the values 1/16 (third measure) and adding also ornamental sounds (melizmatik). This happens because of the poetic development begins and considering the idea that the mother is singing to her daughter, like for example:

*nina – nana, nina - nana
zënë moj, gjumi moj,
vajzën o.*

Although the word “moj” is not a correct word in daily communication, here it is used in a sweet Track with regard to the ethics of communication daily, here is used describinning careness and underlining the gender of the child.

Conclusions

Through a detailed research of lullabies we clearly see that the emotional world of the Albanian woman transmitts, hrough literary and musical elements, complete messages aimed not only at her children but also aiming to communicate with the intention and desire of the mother to project her child in the future as living in a happy family and society, and having the best values of life. Also, in their aesthetic terms, lullabies gain special value because of their artistic values of the singing-person, in this case the mother, as well as family and social traditions. Using expressive means, lullabies has diversified using different epithets, metaphors, comparisons. Thus, lullabies make a very interesting and important case to study by young researchers, mainly focusing on:

- Folklore and ethnological studies, the first folk lobes of literary and musical creation, what creates the resource of human life in all aspects,
- Psychological studies,
- Sociological studies,
- Recognition of the indisputable values of literature and music that includes this kind of poetry that is the lullaby,
- Creating of songs for children, based on best folk music characteristics of our tradition.
- Discovering the identity, tradition and special features of that part of our early culture from different areas of Albania.
References

An Essay on the Relation between Ideology and Architecture: Case of Turkey

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Abstract

Ideology what is one of the controversial terms of political science, generally may be evaluated as a pattern that presents, evaluates and interprets the world in a particular form. Popularity of the discussions about “The end of the ideologies” do not change the reality of being the most important legitimacy for the powers. In this sense, while the ideological preferences are reproducing, it can be told, legitimacy is gained to the sovereign on the structural area by aestheticizing the objects. Ideologies beared missions about explaining and also changing the world, on the other hand architecture is born from the need of people about regulating the environment and the world, when these are thought together, some inferences can be set about the relation between ideology and architecture. Additionally, seperating this thougt from the pure political ideologies, making sense of ideology as a perspective for the events and a though system whic h inscribed to the individuals' minds, can make easier of the detection of the relation between these two phenomenon. This study is going to try to point out, departing from usage of architecture by the ideologies as an area of power and legatimacy, irrelevance with the property of the political regime, at all the political society that consist ruling and ruled, ideology makes reflects on architecture. For that, in historical context examples of Turkey will be utilized and as the method, descriptively and historicaly methods will be prefered.

1. An overview of the ideology concept

The ideology notion what has a lot of disagreements about its definition and usage, is the most sliding notion in the field of social sciences according to the some (Mcellan, 2005: 1). It is firstly produced by the philosopher Destutt de Tracy as “the science that examine thougt.” by integrating two word : “idea” and “logos” (Bogdanor, 1999: 347). It's meaning changed by the time. Ideology that emerged as a science what examining intellectual roots with the Tracy, began to find a response as straining a social reality or a superstructure that existing by the effect of material circumstances with the clasical marxism. The notion, expressed as a system of thougt that constituted by a particular class for protecting its own benefits, by the texts of Marks and Engels.

Ideology that seems one of the sources of legitimacy of the bourgeoisie in the classic marxism, covered negatively and defended as a notion that used for straining realities. However Lenin, mentions about the necessary of a working class ideology for stand up against ideology of bourgeoisie by loading a positive meaning to the ideology notion. Neo-marxists involved to the ideology arguements and carried the situation to different dimensions.

Antonio Gramsci defended superstructure is be able to determine infrastructure in particular terms by pulling out himself from the classical super-infrastructure analyses. Gramsci who believe it is wrong to see the state just a press agent, pointed out the persuasion factor about the directioning of mass. He expressed that the state can be form the public by the ideology that is stronger than hard power and press. The role of hegemonia that formed by though-consent composition is emphasized about making people adopted and internalized the ideology.

The other philosopher Althusser (2003: 129-212), deepened the arguemant a bit more and supported the view that ideology is a press agent of the state but handled the ideological agents that creates a consent area too. By the way, the though-press agents of the states and the ideological agents of the states came up. According to the philosopher, there are "ideological agents of the state” that make it hegemonic beside press agents like bureaucrcy, army and the police.

The ideological agents of the state are religious, educational, familiar, legislative, politic, sendical, comunicational, and cultural forms. In that context, schools, political parties, radio and television, literature, beautiful arts, sports and etc. make the system sustainable, and load ideological functions to reproduce it. One more deepening
addition to the notion of ideology is from Karl Mannhein (1995: 77-101) The philosopher handled the notion as “partial” and “united”. The increasing importance of the ideology maintained in the era of between two world war. Particularly in the Europe it seemed the existing of the states that formed by political ideologies. But the post World War II era, industrializing, economic growth and the welfare state applications decreased the disparities between social classes and it brougt the “end of the ideologies” arguement.

Aron (1962: 314) said that the ideological arguements circumstances gone away with the integration of working class to the system in the east and west too. Lipset (1960: 408) said democratic challenge will continue without ideologies by the similar reasons. Bell (2001: 393-407) defended the “end of the ideologies” assertion with the reasons about widespread welfare. However it does not mean the “end of the ideologies” arguments make the ideologies less important. Because, “end of the ideologies” assertion is also an ideology too, and supporter of this thought can not be underestimated. Additionally, not only class conflicts and class disparities can be solved in some societies but it is not an appropriate analyse to think all the problems are solved about human-nature, human-human and human-political power problems (Örs, 2009: 39). In some regions that are behind the western world on the development indicators, it is very clear, ideologies are determining about particular subjects.

After the development indicators increases a particular degree, identity challenges will be substituted with class conflicts similarly to western states.

The function of being an answer to the individuals about the questions on its personality and bring in an identity and give a meaning to the world where the individuals live there by including some internal consistencies of the ideologies, show us the importance of the notion.

As a result, like Örs (2009: 42) expressed too, the change in ideologies and carrier of the ideologies can be mentioned more than the end of the ideologies.

The ideology notion how must be handled? With a general definition, ideology is a symbol loaded belief and statement pattern that provides the world as a particular form, comments and evaluates, designed for forming the action styles and make the others unsuitable (Kettler, 1994: 393). But all the definitions of the ideology can be find as wrong, large, narrow, deficient, biased etc. Eagleton (1991: 18), made a sequences when handling the meaning variety about ideology.

- The meaning at the social life, the production process of the indicators and social values.
- A group of idea that owns a particular social coterie or a class.
- The ideas for legitimate a sovereign political power.
- Wrong ideas that are serving for legitimate a sovereign political power.
- The communication that strained systematially.
- A thing that provide a particular statue to the subject.
- Thought forms motivated by the social benefits.
- The idea of consubstainality.
- Social obligatory illusion.
- Conjuncture of statement and power.
- A place where the social actors with knowledge meaning their lives in it.
- A group of beliefs that aims action.
- Complication of linguistic and notional realities.
- Semiotic inclusion.
- An inevitable place where individuals live their relationships with the social structure in it.
- The process that social life transforms into the natural reality.

The fixing of Ball (Baradat, 2012: 16), about making the ideology far away from understanding if it defined exactly, because everybody has a description for ideology according to themselves. Because, rather than seeing ideology as a fenomenon that has exact contents, handling it flexably is healthier.

Eventhough there is no reconciling about the definition of ideology in the literature, as expressed by Ball, five basic feature can be agreed about definition of it. First of these features is being ideology a political notion. Secondly, ideology is being comprised with a future imagination that full of hopes and thoughts interested with current. Third feature is, additively to ideology is a promising a good future by defining reality, being action intened to reach it. Forthly, ideology targets the mass. Fifth and the last features is ideology can be expressed with simple terms that ordinary people could understand because of being targeted the mass.

After the general evaluations about ideology, it must be handled with a larger perspective because it can be thought the definitions and the notions prevents the exemption of movement. In that context, all the definition of ideologies that stated above, beside agreeing the analyses about the content of the ideologies, we support a more comprehensive
interpretation of the relationship between ideology and architecture

In the present day, the transformations of the ideologies must be point out for making analyses about ideology and architecture. Actually for modern era that the positivism is dominant, it is easier. Regarding to this term, comprehensive/macro ideologies that seems dominant piece, internalized the mission for transformation of the society by effetiding all the area at the frame of rational statement. It has no doubt, architecture took its own share from this situation. For post modernism era, rapidly developing micro ideologies can be mentioned as addition to the macro ideologies even their effects decreases in particular degree. This situation brings the view flexibility to the notion of ideology.

As Therborn (2008: 8) pointed out too, it is more suitable to see the ideologies as social processes rather than seeing them owned ideas as a property that owned. From there, that meaning coming out, ideologies are complicated “calling” processes which are directed to the society. “Complicated” term is meaning, all the symbols and voices disonances in a random street of a city rather than a text that communicating a simple reader or than a tv character or speaker who is addressing the crowd. Architecture is a way of communication that is a “calling” by the symbols or visibility.

Already, visualities had a critical importance in all that three era, before modern, modern or post-modern. When the relationship between ideology and architecture wanted to mean, the statements like “architectural ideology” or “ideological architecture” comes out. Both of these statements emphasizes the dominance of the ideology, even though there are some who defend the differentiations between these statements. Because, when it handled at intellectual dimension, it is clear the dominant determiner is the ideology. In the background of both term, we can mention about a directly ideological imagination or a part of the ideological imagination. The importance of structure is emerging when we thought about the ideologies making macro programs for effective social and economic administration by targeting the public (Freeden, 2011: 51). All the constructs are may be not a reflection a direct ideology but it may be a reflection of a bigger ideological imagination.

Any ideology is science, art, philosophy or law and any ideology has a function of these notions. But that can be stressed the science, art, philosophy, and law notions born from ideological formings and have functions of the ideologies (Therborn, 2008: 13). Like nearly all the human activities, these notions covered with ideological nets too. It seems when the architecture handles, there is a constant relationship between lifestyles and culture and architecture. In that context architecture is representing lifestyles and culture beside that this culture and lifestyle are producing some object, symbols and languages as representatives (Güzer, 2007: 8). It must not be pointed out that architecture is independent from ideologies and an autonom notion from this production thought. Because, as Tafuri expressed too, architecture is a legitimacy product rather than an action that has the transformational strenget. That is why, architecture is a reflection of ideological dominance. It means, ideology esthetize precursors of ideologies by determining the perception of architecture.

Exactly in that point, Althusser's analyse gains importance. Because there is a close relationship with power and architectural practices. The ideological agents of state enables forming the wanted architectural culture in the context of reproduction and consumption. As Sargin (2007: 22-23) expressed too about the two degrees of the importance of ideological representation and the reproduction of preferences. First one is the process of internalizing. In that process the ideological preferences of the power owners, became a piece of the ordinary people by the agency of agreed places with melting in the dynamics of life. It means the normalization of the ideological preferences interested with it. The second is the process of esthetizing of representations. In that process the preferences of the sovereigns legitimates at an important area. The sovereign ideology begins to send some symbols about the subjects of beauty and the ugliness and put this symbol to the day life with a mastery. That is why it does not face a situation of directly refusing. A “value” determined for several things from consumption good to the constructed environment and handled everything as beautiful or ugly by this context. The “thing” is internalized by liking it or refused and made the other.

The traces of the relationship between the ideology and the architecture can be observed sometimes clearly but sometimes covered. The important thing is pointing out the determining power of the ideology. When it examined historically, monumental architecture that composes the silhouettes of the cities are formed by the sovereign power's ideology. In that point it is possible to see the feticism of silhouette in the cities. The fear mixed respect, adoration and esthetic interest transmitting structures of the public buildings, corresponds with the statements of “ideological architecture” or “architectural ideology”.

It is a changeable but permanent situation that the determining the architecture by the ideology. The structures that are big, spectacular, adorable, giving legitimacy, referencing history and pointing the good and warning about bad, provides esthetized sides of ideologies. Apart from what is the features of regimes, it is possible to mention about relationship between the ideology and the architecture. Even its violence is changeable, the determining effect of the ideologies on the architecture is a base independent from the type of regimes, it does not matter it is authoriter, totalitarian or democratic.

3. The relationship of ideology, power and architecture: Turkey

The time and the place, enable new relationships or transform the existings like they provide opportunities to composing social relationships. There are several agents that forming the place. In this part, examining on the effect of ideology and the power about forming places will be tried.

Generaly it can be said, “ideology; what is discrete thoughts that produced by referencing realities, when the architecture came word, transform into a whole systematic thoughts and notions which are controlling and regulating the environment that constructed to make the life meaningful, for benefits of humanbeing (Yüce, 1996: 115).

The ideologies are being transferred to individuals by the hand of “ideological tools of the state” which hiddenly carries the ideology of sovereign social class that handling power. We can add “place” to the group of physical tools that transfer ideologies which are identified by Althusser. Place; is a stage that the transfer materialized on it. Place is a tool that transmits the existing of power, legitimate the power and naturalizes the power (Yeşilkaya, 2003: 18-19). Currently, place is fairly transforming into a show area. Because of that it is impossible to interprete it, independent from the power and the ideology. “It is impossible to think about a physical environment apart from the culture of society which live there. That is why every mental and behavioral processes particularly ideology as elements of culture, inevitably effects the architecture as a concreting face of culture in the physical environment (Eyüce 1996: 115).

At that point, if it is necessary to look to Foucault, place is an area which the statements about power and information turn in to real power relationships. The hierarchy that rests upon a power is being directly reproduced by the architecture however this is a particular example like every military thing -simple and particular in society- (Foucault, 1982: 12-17).

In the knowledge of architect or not, place is an ideological tool and organically tied up with the process of ideological transmitting realize (Yeşilkaya, 2003: 19). All the forces, want to use the tools which underline its strength on the society that it liked to have control on that. The most important tool that is able to show this strength is the architecture on the spacial environment. Therefore, architecture is a tool that institutions which are handling the social, religional, administrative, economic power, for providing this force to the rest of society as a symbolised message. This form is a feature that determined by the semantic between meaning and content.

Architectural products have been expression agent of the social roles in the society, statue disparities, collectivities, social conditions, ideological approaches, culturel, economic and technological proficiencies, during the history (Cimcoz, 1996: 50). With another utterance, it seems the power oftenly transform their strengths into the symbols by the agency of architecture. The effect of the ideology on the architecture begins its producing phase. Ideologies are biased to put out some mottos about how to create a product. Mostly, that imagination motto is an answer pattern at the same time. For example, “form follows function” motto of the modernist ideology is a typical answer pattern and ideologic catchword and its aim is showing a direction to the architect about how to design – interpret the product.

Modernist ideology is telling us architectural form must not be apart from function and must not be in only an esthetics composition. But, ideology is not able to determine “how to be”, it is only able to determine “how not to be” (Tanyeli, 1984: 79).

N. Hadjinicolau emphasizes “The sovereignty of rulling class and in all societies esthetical ideological area is determined by the rulling class.” Thereby “esthetical ideology is determining by the dominant sovereign class” (1987: 23-26). And the other philosopher Tafuri says, shortly “Architectur is a reflection of the dominant class.”

The most concrete examples of the relationship between ideology, power and the architecture can be observed clearly in the totalitarian regimes. Particularly, Stalin term Soviet Union and the Nazi term Germany, it worth to attention the applications of the power on its own ideology and architectural space. The most famous architect of Nazi term Albert Speer pointed the passion about making the biggest, as “Megalomania” can be seen in that regimes. The basic characterestic is devastatic sized and gigantic and monumental constructions.

As it is existing in Turkey too, the strength of power on the society is hidden at the basis of that devastatic sizes. This interesting and megalomaniac constructions have another effect beside proving the strength of power to the public.
The power which proving its strength to the public, at the same time it is effected by its own strength (Yeşilkaya, 2003: 21-26).

At the last years, we faced with examples of the megalomaniac architecture in Turkey too. All the strengthful powers in the Turkish political history, tried to create projects about recomposition of cities and design of places. As the early foundation years of the Turkish Republic, there are examples of place designing according to ideological context in following years too.

Especially, at last years devastating sized “Justice Palaces” that constructed in İstanbul are worth to attention. The power is opponent of itself at this subject. For example; this process starts with the Bakırköy Justice Palace, and then in the Caglayan the biggest Justice Palace is constructed after that it find a finale with the biggest Justice Palace in the World which will be constructed in Kartal. On the other architectural area particularly in the field of shopping malls and the skyscrapers, there is an assertion about being the huge or being the biggest in the Europe or the World. The states are using the art and architecture as a tool for solidifying their authorities on the public and the opponents. This situation enables new seeking and alows ceration of the spectacular monuments (Çam, 1996: 58-64). Architectural project that observed at the last decade in Turkey, are suitable examples of that.

The existing of the power, transmitting to the “soft curves of brains” by the “silent talkative” symbols and codes, in every corner of the cities. The power benefits from architecture for placing the bodies to the space (Foucault, 1992: 162). Particularly the power tries to express itself on the city space over the city squares. When the Turkey example examined, it can be observed, current power is trying to express and represent its own ideology and strenght over the city squares.

Taksim Square is the best example of it. The Taksim Mosque project from the days, the current prime minister was the mayor of the İstanbul, untill today “the square” developed as an important opposite represent area of the neo-ottomanist ideology of the power. When we look at the content of the projects about Taksim, there is no rehab or addings to the previous projects, they formed as an aim for totally demolition and erasing the traces (Akpinar and Gümüş, 2012: 38). This is recomposition of the space by the power and its ideology in other words.

At this point if it is necessary to look inside and detailed, Taksim Square from early years until now, took its current shape with the several designs and interruptions by the ideological position of the power. Early years of the Republic, the projects had been prepared for modernising the city by the modernator ideology. The first plan was prepared by the French Architecture and city designer Henri Prost. In that project, functional areas, large squares and the theme of rehab of eighteen parks connected with large boulevards was projected in a plan named as “plan de concentration”. At 1930’s, nation-state, sees the urbanising process as a transformation tool for the civilication therefore city bourgovasie’s life. Some features of the type of “beautiful city” included by the Prost Plan but at the same time it can be put forward the public areas-public spaces as a free areas in the plan were connected with the secularizing reforms. Free areas at that plan are not just for viual beauty and connecting different spaces but being a powerful social agent and a politic tool for transformation of muslim Ottoman subjekter into the secular citizens. By the way İstanbul where the Capital of Ottomans would be transform into a republic city and secularized by the “free areas” of Prost. Taksim Gezi Park and the Culture Valley where are constructed according to this ideology, transformed into the Square of Turkey by the time (Akpinar and Gümüş,2012: 38-41). The architecture and the place became the basic arenas for visualizing the aim of ideologies.

Taksim Square became a conflict area from the early terms of modernizing process untill today. Particularly, newly announced Taksim Square project that includes restruction of “Topçu Kişlasi” (a military building) concretes all that conflicts. After the case named 31 March 1908, this building was bombed by the Ottoman rebels, the riot resulted with resigning of Sultan Abdulhamid II. This building demolished by the power of its term at 1940’s. Therefore, in that case we can see the conflict between modernists and conservatives.

Additionally, Taksim is the meeting place for different identities, classes, generations, sub-cultures that is why Taksim is an important place to represent and express its ideology for the power. On the other hand, public places like Taksim Square, with being the critical connection point past, now and the future, they point out the collective memory and knowledge of being citizen by being unique life spaces. For that reason Taksim Square and projects of current power about it are important cases to give a meaning to the relationship between ideology, power and the place as an effort for transforming an important place of public memory.

As a result, the space is social, and the society is spacial. Furthermore, space is a notion about context of strenght relationship as well as contexted by them. The powers benefited the represent force of architecture at maximum degree. Utilizing from architecture for representing the existing of power is not a new case. It is certain, powers are going to use the space for representing their ideologies and forces in the future like now or the past. All the powers focuses the spaces that enables the reproduction of its own ideology.
4. Conclusion

The ideologies provides opportunities to make meaningful the life by the function of mapping the social and political world. It can be evaluated from the frame of ideology, all the individuals make some analyses about the political organizations that they are companion, and find something positive or negative. When that kind of evaluation made, it can be said each of the individuals are an ideolog. Already, the irrevocably of the ideologies seems here. It is possible through the ideologies, the individuals find some meaning patterns and behave according to them. For that reason the ideologies are irrevocable.

It is suitable to mention about the micro ideologies what are changeble against situations and multi-directional rather than large sized macro ideologies when it handled with their transformation. The meaning modifications and the flexibility of the notion of ideology is not effective on the relationship between the ideology and the architecture. Because the determining effect of the ideology on the architecture is permanent.

The political force, by the agency of ideological agents, provides the reproduction and transformation, benefits from the space. It can be expressed the space is an ideological agent from the angle of the organic connection with the process of ideological transmitting, apart from the knowledge perception of the architect.

The sovereign ideology faces the composition of space when it is looking for some agents to stiffen its strengh and irrevocability and hardened its legatimacy on the controlled society. The most important agent is the architecture that can provide this legitimacy in the spacial environment. The sovereign ideology, firstly internalizes and esthetizes itself with the architecture. It can be expressed the space is an ideological agent from the angle of the organic connection with the determination of the ideology on the architecture.

When the ideology and architecture relationship examined from the angle of Turkey, it is possible to see the determining of the ideologies on the composed spaces. It can be said the architecture is a mass communication style and a statement device. It is distinct, this situation not only for current time. When the Ottoman era examined, the palaces, “külliye”, mosques that are constructed by the Emperors, the ideological backgrounds can be evaluated. This situation continued in the Turkis Republic which is took over the remainings of this Empire. In a particular term, architecture that formed by the modernist ideology, maintained the relationships with the ideology wavely. Seeing this relationship over the justice palaces, squares, plazas is possible. This composition that tried to handled over the relationship between the ideology and the architecture, is not unique and not only for Turkey. In all the styles of regimes, authoriter, totalitior or democratic, with some changes of their violence, there is a relationship between the ideology and the architecture by the determining of ideologies.

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Research on Efficiency Measurement of Urban Land-Use in China

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Abstract

Whether to consider undesirable outputs factors in the calculation of urban land has an influence on the evaluation of China's urbanization process and land-use efficiency. BC2-DEA model and Malmquist index were applied to measure China's land-use efficiency from 2003 to 2010, from both static and dynamic perspectives. It is showed that static efficiency (CE) approached to the frontier owing to pure technical efficiency, while dynamic efficiency (MLP) reduced 9.36% with an average reduction of 1.4%, which was mainly driven by technical degeneration. There are significant differences in land-use efficiency among China's four regions. The East region enjoyed the highest value both on CE and MLP, while the Northeast China showed a downward trend on CE and its value of MLP ranked bottom across the country.

Keywords: land-use efficiency; undesirable output; BC2-DEA model; Malmquist index

1. Introduction

Since the reform and opening up 30 years ago, China has stepped into the rapid growth stage of urbanization with the urbanization rate rising from 17.92% in 1978 to 51.27% in 2011. However, the total economic growth, which was due to the rapid expansion of the scale of urban space (Liu, Zhang, & Chen, 2008), is always at the expense of higher cost and lower efficiency of land-use. As an urban resource, land is the spatial carrier of urban economy, society and environment, and the urban socio-economic development and habitat environment would be directly influenced by its land-use efficiency. Under the background of urbanization in China, it's pivotal to seek highly effective land-use mode, so as to frugally exploit land resources, guarantee the sustainable development of economic, coordinate regional balanced development and protect environmental resources.

International theoretical research on urban land-use efficiency started in the Ecological School which had been popular since 1920s; the descriptive methods were adopted to intuitively identify the spatial distribution and evolution of urban land-use types, and general patterns, such as concentric zone model, sector model and multi-center model (Xu, Zhou, &Ning, 1997) were summarized. In recent years, models like CA, ROC (Geoghegan, 2002), CLUE, IMAGO (Gil & Kiran, 2003), IMPEL (Burrough, 1986) etc. have been applied to quantitative researches on urban land-use changes. In China, Fang Xianzhi (2004) analyzed the features of various kinds of land-use patterns and established efficiency indexes according to different evaluation requirements, who was the first scholars doing researches on urban land-use efficiency. Wang Qunfang and Li Zhibin (2005) evaluated the efficiency of land-use from microscopic point. Some scholars established effective evaluation systems of urban land-use according to the principle of multi-index evaluation. For example, Ye Minting, Wang Yanglin, Peng Jian and Wu Jiansheng (2008) built an evaluation system to assess land-use efficiency in Shenzhen, from four aspects of social, economic, ecological and environmental benefits. However, those evaluation systems determining the weighing values of assessment indexes were often with certain subjectivity and affected the objectivity of evaluation results. Owing to the superiority of endogenously determining the weight of each factor inputs, Data Envelopment Analysis began to be used in the evaluation of the land-use efficiency so as to avoid the subjectivity brought by specific expression of input-output and per index weight. Adopting DEA model and Malmquist index, Guo Tengyun Xu Yong and Wang Zhiqiang (2009) investigated the factors resources efficiencies of metropolises in China and their changing trends during the period 1990-2006. Based on data envelopment analysis, Wu Dewen, Mao
Hanying, Zhang Xiaolei and Huang Jinchuan (2011) analyzed the input-output and scalable efficiency of land-use in 655 cities across China.

The above research was good references for further study of urban land-use efficiency and introduction of relevant land-use planning policies. However, few of them took undesirable output factors into consideration, which lead to the idealistic conclusions. Therefore, we will introduce the concept of undesirable output into the scope of research on urban land-use efficiency for the first time, and deal with it using linear data transformation function, then build static efficiency model and dynamic efficiency index to calculate the efficiency of urban land-use, so as to provide some references and suggestions for the economical and intensive utilization of land in the progress of urbanization in China.

2. Research Methods

Under the hypothesis of using traditional DEA model from the output perspective, both desirable and undesirable outputs were treated as desirable output, in fact, undesirable output growth is not what we expect. So we have to make appropriate treatment of undesirable outputs when dealing with the economic activity containing both desired and undesirable outputs. Using linear data transformation function proposed by Seiford and Zhu (2002), we transformed undesirable output into desirable output, then we can use traditional DEA model directly. When $y_b^j$ represents undesirable output brought by province $j$ at time $i$, $\xi = \max(y_b^j) + 1$, and $\max(y_b^j)$ represents the largest undesired output value at time $i$, so we will get the converted desired output $y_b^* = \xi - y_b^j$.

2.1 BC2-DEA Model

C$^2$R was first put forward by Charnes, Cooper and Rhodes (1978), and it assumes that decision-making unit (DMU) enjoys constant returns to scale (CRS), that is every DMU locating in the best production scale and avoiding the effects of not reaching the optimal size caused by imperfect competition, government regulation or financial constraints etc. In view of this, Banker, Charnes and Cooper (1984) proposed BC$^2$ model on the basis of the hypothesis that DMU enjoys variable returns to scale (VRS).

$\text{DMU}_j (j = 1, 2, \ldots, n)$ represents the same type of decision-making unit as many as $n$, everyone enjoys $m$ kinds of inputs and $s$ kinds of outputs, then BC$^2$-DEA model based on output-oriented can be expresses as

$$\text{Min} \omega$$

subject to

$$\sum_{j=1}^{n} \lambda_j x_{kj} \leq x_{k0}, \quad i = 1, 2, \ldots, m$$

$$\sum_{j=1}^{n} \rho_j y_{kj} \geq \frac{1}{\omega} y_{k0}, \quad k = 1, 2, \ldots, s$$

(1)

$$\sum_{j=1}^{n} \lambda_j = 1, \quad \omega > 0, \quad j = 1, 2, \ldots, n$$

In equation (1), $\omega$ indicates the efficiency value and $0 < \omega \leq 1$, a DMU is DEA efficient when $\omega^* = 1$.

With BC$^2$-DEA model, we use land-use input-output cross-sectional data of every province at the given year, so we obtain the static efficiency of urban land-use, which measures the relative relationship between a DMU and the best production frontier. The above-mentioned static efficiency is defined as CE, and it can divide into pure technical efficiency (PE) and scale efficiency (SE), moreover $CE = PE \times SE$.

2.2 Malmquist Index

Malmquist productivity index was initially defined by Caves, Christensen and Diewert (1982) and then improved by Fare, Grosskopf and Norris (1994), it is a non-parametric method using distance function to describe economic activity. Given $T(t)$ as reference (technology at time $t$), Malmquist index based on output-oriented can be expressed as

$$M_0^t = D_0^t(x'^{t+1}, y^{t+1}) / D_0^t(x', y^t)$$

(2)
Similarly, given $T(t + 1)$ as reference, Malmquist index based on output-oriented can be expressed as

$$M^{t+1}_0 = \frac{D^{t+1}_0(x^{t+1}, y^{t+1})}{D^t_0(x^{t}, y^{t})}$$

(3)

In order to avoid any discrepancy caused by selecting the frame of reference arbitrarily, we access the geometric mean of the above Malmquist values, and it measures the productivity changes from period $t$ to period $(t + 1)$, which can be presented as follows

$$M_0(x^{t}, y^{t}, x^{t+1}, y^{t+1}) = \left[ \frac{D^{t+1}_0(x^{t+1}, y^{t+1}) \times D^t_0(x^{t}, y^{t})}{D^t_0(x^{t}, y^{t}) \times D^{t+1}_0(x^{t+1}, y^{t+1})} \right]^{\frac{1}{2}}$$

(4)

In equation (4), $(x^{t}, y^{t})$ and $(x^{t+1}, y^{t+1})$ indicate input-output vectors in period $t$ and period $(t + 1)$ respectively, while $D^t_0$ and $D^{t+1}_0$ represent distance function with reference to $T(t)$ and $T(t + 1)$.

Malmquist index is calculated based on panel data and measures the dynamic efficiency of urban land-use. We can divide it into technical efficiency index (ECH) and technological progress index (TCH), which are expresses as

$$ECH(t, t + 1) = \frac{D^{t+1}_0(x^{t+1}, y^{t+1})}{D^t_0(x^{t}, y^{t})}$$

(5)

$$TCH(t, t + 1) = \left[ \frac{D^t_0(x^{t}, y^{t}) \times D^{t+1}_0(x^{t+1}, y^{t+1})}{D^t_0(x^{t}, y^{t}) \times D^{t+1}_0(x^{t+1}, y^{t+1})} \right]^{\frac{1}{2}}$$

(6)

ECH measures the degree of catch-up to the production possibility frontier of each DMU from period $t$ to period $(t + 1)$, and TCH shows changes of optimal production boundary. Under the assumption of VRS, ECH can be divided into pure technical efficiency index (PECH) and scale efficiency index (SECH). We define the above-mentioned dynamic efficiency as MLP, and then we will work out that $MLP = ECH \times TCH$, $ECH = PECH \times SECH$.

2.3 Variable selection and Data issues

Based on the availability of data and empirical research needs, we collect the input-output data of 30 Chinese provinces during the period 2003-2010 (Data for Tibet are incomplete in the original source). According to the characteristics of production activities of urban land-use, three input factors such as capital stock, labor and land are required, desirable and undesirable output factors will be produced.

Based on the capital stock’s accounting method proposed by Zhang Jun, Wu Guiying and Zhang Jipeng (2004) and perpetual inventory method, the value of capital stock is estimated from annual incremental capital stock and all variables are expressed in constant prices in 2002. Labor statistics are represented by the total numbers of employees in the secondary and tertiary industry at the end of each year. Land data comes from urban construction land area which is different from Wang Xiaoming and Yan Hongwen’s research using built-up area, as the actual built-up area will be less than the urban construction land area. Desirable output data are measured by the added value of the secondary and tertiary industry, with all variables expressing in constant prices in 2002. While undesired output including industrial wastewater, emissions, sulfur dioxide, smoke, dust and solid waste, we build a comprehensive environmental pollution index by the use of expert scoring method.

3. Estimation results and interpretation

3.1 Static efficiency of urban land-use

According to equation (1), static efficiency of urban land-use (CE) and its decomposition items PE and SE are presented in Table 1 (In view of the limited space, only list the results of 4 years).

In general, urban land-use efficiency in China presents considerable features as follows: (1) The average overall efficiency is at a high level in China during the period 2003-2010. While value of efficiency is less than 0.9 in 2006 alone, it reaches the highest value of 0.932 in 2010. Across 30 regions, urban land-use efficiency is always at a relatively
optimal frontier in Beijing, Tianjin, Shanghai, Fujian, Hainan and Qinghai, while at a relatively backward level in Yunnan, Jilin, Guangxi, Guizhou, Chongqing and Hubei. (2) SE is the major factor that restricts the value of CE. It is clear in Table 1 that regions with CE approaching 1.0 have reached optimal status in PE, while SE has not achieved the best, such as Guangdong and Zhejiang. Thus, the development and utilization of land in most areas in China have not reached a certain scale, and making it difficult to exert the scale effects.

Table 1. Estimated values of CE, PE and SE in China, selected periods during 2003-2010

<table>
<thead>
<tr>
<th>Region</th>
<th>2004</th>
<th>2006</th>
<th>2008</th>
<th>2010</th>
</tr>
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<tbody>
<tr>
<td>CE</td>
<td>PE</td>
<td>SE</td>
<td>CE</td>
<td>PE</td>
</tr>
<tr>
<td>Beijing</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
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<tr>
<td>Tianjin</td>
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<td>1.000</td>
<td>1.000</td>
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<tr>
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<td>0.981</td>
<td>0.996</td>
<td>0.939</td>
</tr>
<tr>
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<td>0.938</td>
<td>0.967</td>
<td>0.957</td>
</tr>
<tr>
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<td>0.921</td>
<td>0.985</td>
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<tr>
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<td>1.000</td>
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</tr>
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<tr>
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<td>Yunnan</td>
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<tr>
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<td>0.699</td>
<td>0.874</td>
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<td>Gansu</td>
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<tr>
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<tr>
<td>Ningxia</td>
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<tr>
<td>Mean</td>
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<td>0.959</td>
<td>0.959</td>
<td>0.988</td>
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</table>

Affected by factors such as the level of economic development, resource endowments and local policies, China's urban land-use efficiency shows a certain degree of regional characteristics. The nation is divided into four regions known as East, Northeast, Middle and West of China, according to their spatial features. Nationwide and four regions' mean value of CE, PE and SE are presented in Table 2.

According to Table 2, we can conclude that: (1) CE, PE and SE in East region are all in the relatively optimal frontier, and their values are absolutely higher than those in Northeast, Middle and West regions, appearing the same traits with the economic structure of China's four regions. (2) Northeast's CE is higher than Middle and West before 2008, but it has fallen significantly since 2008 while Middle and West have enhanced the growth of CE and catch up gradually. (3) The value of CE in Middle is higher than in West except in 2006 and 2007. (4) Compared to China's average value, CE in Middle and West tends to increase year by year, and CE in Northeast shows a trend like "U"-shape, in addition, it reached the bottom value in 2009.
Table 2. China and four regions’ mean value of CE, PE and SE, 2003-2010

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<td>0.96</td>
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<td>0.83</td>
<td>0.91</td>
<td>0.93</td>
<td>0.85</td>
<td>0.93</td>
<td>0.92</td>
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<td>0.94</td>
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</table>

3.2 Dynamic efficiency of urban land-use

Using equation (4) to (6), we figure out the MLP value of dynamic efficiency of urban land-use. Table 3 lists the mean value of MLP and its decomposition items, while Figure 1 depicts the changes of cumulative MLP, ECH and TECH (Cumulative MLP, ECH and TECH marked as CMLP, CECH and CTCH respectively).

Table 3. Mean value of MLP, ECH and TCH of 30 Chinese provinces, 2003-2010

<table>
<thead>
<tr>
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<tr>
<td>Beijing</td>
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<td>1.002</td>
<td>1.075</td>
<td>Hubei</td>
<td>0.970</td>
<td>0.993</td>
<td>0.977</td>
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<tr>
<td>Tianjin</td>
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<td>1.010</td>
<td>Hunan</td>
<td>0.978</td>
<td>0.991</td>
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<td>0.976</td>
<td>1.005</td>
<td>0.971</td>
<td>Guangdong</td>
<td>0.980</td>
<td>1.000</td>
<td>0.980</td>
</tr>
<tr>
<td>Shanxi</td>
<td>0.985</td>
<td>1.023</td>
<td>0.963</td>
<td>Guangxi</td>
<td>0.963</td>
<td>0.980</td>
<td>0.982</td>
</tr>
<tr>
<td>Inner Mongolia</td>
<td>1.049</td>
<td>1.028</td>
<td>1.020</td>
<td>Hainan</td>
<td>0.960</td>
<td>1.000</td>
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<tr>
<td>Liaoning</td>
<td>0.963</td>
<td>0.989</td>
<td>0.974</td>
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<td>0.988</td>
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<tr>
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<td>0.982</td>
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<td>0.991</td>
<td>0.947</td>
<td>Guizhou</td>
<td>1.012</td>
<td>1.039</td>
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<td>Shanghai</td>
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<td>1.000</td>
<td>1.048</td>
<td>Yunnan</td>
<td>0.945</td>
<td>0.968</td>
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<tr>
<td>Jiangsu</td>
<td>0.978</td>
<td>1.000</td>
<td>0.978</td>
<td>Shaanxi</td>
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<td>Henan</td>
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<td>1.008</td>
<td>0.972</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

It is obvious in Table 3 that MLP of Beijing ranks the first while MLP of Inner Mongolia, Shanghai and Shaanxi are also relatively high, but the ratio of areas where MLP below the national average level reaches 63.33%, and Heilongjiang ranks the last with the lowest value of TCH.

Figure 1. CMLP, CECH and CTCH 2003-2010
Combining with Figure 1, it presents that the average growth rate of China's ECH is 0.5% while the cumulative growth rate reaches 3.14% during the sample period, showing a slow trend to increase. And the average reduction rate of China's TCH is 0.5% while the cumulative reduction rate reaches 12.26%, appearing a rapid and sustained decline trend since 2005. As the reduction rate of TCH is larger than the growth rate of ECH, it creates an average reduction rate of MLP reaching 1.4% and cumulative reduction rate reaching 9.36%. It is clear in Figure 1 that the curve of CMLP and CTCH are fundamentally the same on the whole and keep a consistent changing trend. Thus, we could conclude that MLP is mainly determined by TCH, which is consistent with Guo Tengyun's conclusion.

The same as static efficiency of urban land-use, the regional disparities also exist on dynamic efficiency. Nationwide and four regions' average and cumulative values of MLP, ECH and TCH are listed in Table 4, the findings show that: (1) Dynamic efficiency of urban land-use in the four regions is not improved during the sample period. (2) The value of MLP in East is the highest with a cumulative reduction rate of 1.31%; in general, dynamic efficiency in the West surpasses that in the Northeast and Middle, not only does West enjoy a higher mean value of MLP, its cumulative reduction rate of MLP reaches 5.24%, which is far more less than Northeast’s 29.36% and Middle’s 8.07%; Northeast experiences a serious degradation in MLP, both of its mean and cumulative value rank the bottom across China, which is in line with the changing trends of static efficiency in the Northeast.

Table 4. China and four regions' average and cumulative values of MLP, ECH and TCH, 2003-2010

<table>
<thead>
<tr>
<th></th>
<th>Mean Value</th>
<th>Cumulative Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ECH</td>
<td>TCH</td>
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<tr>
<td>East</td>
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<tr>
<td>Northeast</td>
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<td>0.9948</td>
</tr>
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<td>Middle</td>
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<td>0.9634</td>
</tr>
<tr>
<td>West</td>
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</tr>
<tr>
<td>Nationwide</td>
<td>1.0047</td>
<td>0.9817</td>
</tr>
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</table>

It is obvious in Table 4 that ECH and TCH presents disparities in different regions. The Northeast suffers the most significant downturn in MLP, which is mainly derived from the degradation in both ECH and TCH. However, degradation in TCH is the mainly factor that reduces the value of MLP, as its cumulative reduction rate in this region reached 22.84%. ECH of other regions is improved, while degradation intensity of TCH is greater than its improvement. Consequently, the mutually exclusive effect between ECH and TCH didn't cause improvement in MLP in these regions at all.

4. Summary Remarks

In this paper, six major industrial pollutants are defined as “undesirable outputs” generated in the process of urban land-use, and linear data transformation function is used to transfer “undesirable outputs” into “desirable outputs”, then BC²-DEA model and Malmquist index are applied to measure China’s land-use efficiency and regional disparities during period 2003-2010, from both static and dynamic perspectives. It is found that: (1) The level of static land-use efficiency (CE) during the period 2003-2010 is high in China presenting an “U”-shaped trend from downturn to ascension, and scale efficiency (SE) is the major factor that restricts the value of CE; dynamic efficiency of urban land-use (MLP) reduced 9.36% with the average reduction of 1.4%, which was mainly driven by technical (TCH) degeneration reaching an average reduction of 1.9% and cumulative reduction of 12.26%. (2) From regional perspective, it is concluded that both of CE and MLP have significant regional disparities. The value of CE and MLP in the East is the highest, while CE in Northeast experiences a downward trend and its MLP ranks bottom across China; what's more, the effects of TCH and ECH to land-use efficiency vary from different regions at different times.

The conclusion would be a reference in the respect of China's promotion of urbanization construction and improvement of land-use level. (1) We could find that dynamic efficiency of urban land-use experienced degeneration while CE and MLP in the East were both higher than other regions, which indicating the imbalance between regional economic developments. Considering that Eastern regions have suffered severe scarcity of construction land and sharply rise in the cost of land, while the Middle and West reserve a lot of undeveloped arable land resources, thus we should give full play to the dual advantage of high efficiency level in East and arable land suitable for the scale of operation in the Middle, break the denial of the requisition-compensation balance, establish an indicator trading center and optimize the allocation of land resources among different regions. In this way, we could promote the level of land-use efficiency across the country and share the land differential benefits of East to other regions, and ultimately achieve a win-win goal of...
improving land-use efficiency and inter-regional coordinated development. (2) Land urbanization transition is one of the cores to promote a better quality of urbanization, and the improvement of land-use efficiency is the mainly access to land urbanization transition, which is close related to land transfer mode. In accordance with the overall goal of China’s urbanization and economic restructuring, we must make greater efforts on reform and innovation, promote the transformation of economic development mode by the change of land-use pattern, and fundamentally ease the contradictions between supply and demand of land resources in the next stage. Not only should we ensure the demand of land for urbanization, but also avoid urban overspreading and expanding disorderly. In addition, we have to focus on optimizing space layout and strengthen land-use co-ordination, and gradually build a spatial pattern of development and utilization which consorts construction, agriculture and ecology together harmoniously.

References


The Image of the Labyrinth in the Novel “The Palace of Dreams”

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Abstract

The image of the labyrinth is a very popular image in the world literature. It originates since mythology and it is spread since then in Homer, Ovid, Virgil, Dante, Chaucer, Spenser, Milton, and Blake’s works as well as others’ works. Modern literature gives us labyrinth – haunted genius in Yeats, Joyce, Kafka and Calvino, among others in, overt manifestations. Among others, the image of the labyrinth becomes a favourite image for Latin-American writers such as Borges or Marques. The image of the labyrinth is of special importance to contemporary literature since we are allowed a metaphor by literature as regards variety enriched with other connotations, such as fear, anxiety, powerlessness, loneliness, isolation. This paper is focused on the novel “The Palace of Dreams”. Oftentimes “The Palace of Dreams” tends to become labyrinthic in some dimensions, presenting the relation between the individual and the autocratic power, the relation between Kafkian isolated individual and the large building which expresses the dominance of reign and power. The relation between the individual diminished to a servant and the building magnified to a palace is labyrinthic, since oftentimes dominance of the power of the labyrinth towards the individual does not only lie in his real dimensions, but also on the virtually outspoken magnitude upon the individual. The Palace exercises power on the psyche, which makes the building own the individual’s powers.

Keywords: Labyrinth, image, palace, power, dream.

1. Introduction

The image of the labyrinth is a much popular image in the world literature. It originates since mythology and it is spread since in Homer, Ovid, Virgil, Dante, Chaucer, Spenser, Milton, Blake’s works as well as other ones, while “modern literature gives us labyrinth – haunted genius in Yeats, Joyce, Kafka and Calvino, among others in, overt manifestations.” (Bloom Harold 2007, Volume introduction, page xv). Among others, the image of the labyrinth becomes a favourite image for Latin-American writers such as Borges or Marques.

Let us remember that one of the most important and loving works to Marques is “The General in his Labyrinth.”

Latin American critique has considered this work a “fictionalization of history”, a technique which has been often used by the writers in Latin America. Kadare uses a special way which surrealizes reality and if we could use the same way to characterize it, we could claim that he uses a “historization of fiction”, which adds special worth to the work.

The image of the labyrinth is of special importance to contemporary literature since we are able to see (through labyrinth in the literature) a metaphor for the enriched variety with other significances, such as fear, anxiety, powerlessness, loneliness, isolation.

“A place of paradox it fixes symbolically a movement from the exterior to the interior, from form to contemplation, from multiplicity to unit, from space to absence of space, from time to the absence of time. It also represents the opposite movement: from within to without, according to a symbolic progression. In the centre of the labyrinth is the monster, or the god, since monstrosity is sometimes a divine attribute as shown by the metamorphoses in Greek mythology. There could be something else in the centre of the labyrinth: a secret revelation, or an epiphany” (Bloom Harold 1986, page 139).

2. General observations

In western critique the “Palace of Dreams”, has been characterized as a labyrinth or labyrinthical. In the work entitled “Kadare in the world languages” we read: “Entirety of devices by which Kadare writes, is miraculously connected with the environment he describes. The result is dark, labyrinthical, full of tricks and evoidings” (Kuşku Bashkim 2005, page 444).
"The Palace of Dreams" often longs to be labyrinthical in some dimensions. According to Wellek and Warren: "Setting is environment; and environments, especially domestic interiors, may be viewed as metonymic or metaphoric expressions of character... Setting may be the expression of a human will." (Wellek and Warren, 1949, page 229). In the case of the work under study, the setting is set with the strong feeling of anxiety stemming from the fact that the character is aware that he is coming close to this structure. The environment of the character is going to become an inseparable part of him in the pages to follow, an inseparable part of his psyche, accompanying him everywhere.

The artists, the writers, and the philosophers have used the image of the labyrinth to symbolize man's struggle, the unceasing conflict between mind and soul, our fears and hopes as well as the inexplicable paradox of mankind's destiny. Labyrinths are a place of spiritual growth, magical research, and presentations of human struggle where the past, the present, and the future are united within a single unit, an archetype of the inner world.

In the published edition "Literary work 9", the title of the work is different from that of the English edition (it is entitled "The Servant of the Palace of Dreams" and I prefer to consider it more significant as regards the interrelationship between the individual and the power, the interrelationship between the isolated individual - at the start a Kafkian character - and the big building which expresses the dominance of the reign and power. The interrelationship of the individual diminished to a servant at the sight of the enlarged building into a palace is labyrinthical since often the dominance of the power of the labyrinth upon the individual does not only lie upon its real dimensions, but also in the virtually outspoken largeness upon the individual. The Palace exercises power on the psyche, which enables the building to possess the individual's powers.

3. "Palace of Dreams" as a labyrinth

The Palace of Dreams appears in the sight of Ebu Qerim as a real labyrinth image. No alternative provided, the character is not able to dominate his space all at once. His relationship to the building is certainly like the relationship between man and the real labyrinth. There are long, sombre, unending corridors. There are spaces which the character either knows nothing about or he can hardly dominate, despite the fact that the character has been living in for some time. There are vast spaces which seem void of people and all of a sudden there can be seen flooded corridors, where you can hardly meet the same person a second time.

The image of the labyrinth is present as yet outside the building. The heavy shutters of the buildings, which are all entrance options - there are four of them - they are all the same as regards design, with heavy bronze handles. This means that psychically speaking the character's choice is difficult. The main characteristic of the labyrinth is illusion. While hoping that the choice is difficult, it becomes easier than someone thinks and vice-versa. In the following setting, (page 181) doors are shown on all sides and Ebu Qerim pushes all of them one by one until he finally makes it to open one door leading to another corridor.

Architecturally speaking, the institutional building is well organized, facilitating as regards its conceptual projecting, providing other secondary facilities, for example, doors with numbers on them, and controllable spaces by the individuals working there or by the visitors. The Palace of Dreams is the opposite; its projecting reminds you directly of the labyrinth. People disappear, noises are heard, but people are not seen.

"The Hallway was long and sombre. There appeared tens of high and unnumbered doors" (Kadare Ismail 1989, page 182), and following: "Terrified, he wanted to close it again; he, even stretched his arm to catch hold of the shuttle which continued to open with a lamentable rattle, but in that very moment, his eyes saw that the room was empty" (Kadare Ismail 1989, page 182). The labyrinthical anxiety is conceived with such surprise that the isolated being meets the unexpected at the moment when the idea sprouts that he can find the solution and exit. Anxiety driving the servant is similar to the labyrinthical anxiety in the moment when he meets the unexpected. The unexpected is not a living being as in the usual cases of dread, but it is a simple confrontation with space.

Labyrinth is the symbol of the building where the psyche is spied, representing a totalitarian system, and in a considerable dimension, its total dispossessing by the character, shows the incapability of the character to dominate it. He wanders inside it but not being able to reach the end of it.

4. The City as a labyrinth

Under the influence of the symbolic structure which is the Palace of Dreams, structured in accordance with the model of the labyrinth, oftentimes even the image of the capital city is structured as such. Ebu Qerim feels a stranger in the city. Streets which he became familiar with after starting work at the palace, seem now unfamiliar to him. The city filled with people seems emptier, spaces vaster, the sense of isolation and anxiety get stronger. The atmosphere in the city is
almost surreal and unbelievable. The appearance of Tabir Saraji on the outside is hermetic and we are presented with the difficulty to enter. “From afar it seemed as if he noticed one of the arms of Tabir Saraji. When he came a bit closer, he understood that he had not been wrong..... the two arms of the building seemed lost in the storm, while its central part was inwardly withdrawn as if it turned its back to something.” (Kadare Ismail 1989, page 180) (see also page 268-269).

Carrying the labyrinth deep inside self and outside the walls of the palace reminds you of a well-known parable of Borges entitled: “Two kings and two labyrinths”. The idea of having a labyrinth without walls, out of which you can never go out, is found both in Borges and Kadare, except that Borges bypasses the anxiety concept. This is a special feature of the parable. The anxiety is a main ingredient of the continuous situation of the character in Kadare’s work. The anxiety situation is part of the labyrinth and despite being on holiday, Ebu Qerim feels that he is inside a structure without walls.

The ambience in town which is related to the labyrinth leads to its alienation and it establishes a second, oniric reality. In a certain moment of wandering in town, Ebu Qerim perceives a dreamlike reality while the world of dreams who he was trying to puzzle out, seems more real.

5. The spiritual world as a labyrinth

Ebu Qerim’s spiritual world has become a labyrinth. It is the labyrinth of choosing versus not choosing; it is the labyrinth of doubt as concerns making a certain kind of interpretation, or another. In his daily interpreting he faces difficulties the same to the man who walks inside a labyrinth. He interprets dreams with a certain kind of ease but he can not penetrate into the others. After a time, when he rereads the first ones he has had easily interpreted, they seem hermetic while the others he did not use to understand, seem less hermetic to be interpreted. Speaking about the literary interpretation, Harold Bloom says: “Literary thinking is similar to walking in a labyrinth” (Bloom Harold 2007, Volume introduction, page xv).

Analogically, we would say that Ebu Qerim’s dream interpreting is similar to walking in a labyrinth. The feelings are dominated by loneliness. In view of the variety of thoughts and ways of thinking it leads to, loneliness is considered to be another labyrinth.

Ebu Qerim and his family’s choice of starting work in the Palace of Dreams is similar to the choice of the labyrinthical variant. It is the only choice he can make. During the discussion about Ebu Qerim’s future work, it is considered to be impossible and it is immediately and categorically refused. At the end, it is seen as the best job possibility Ebu Qerim has ever had.

After a labyrinthical description of the parts in the palace and hallways unknown to him, Ebu Qerim’s psyche gets so heavily anxious that he acknowledges that it would do better in a field full of wolves.

“Vico says that we only know what we ourselves have created. If you live in a labyrinth, then you have created it.” (Bloom Harold 2007, Volume introduction, page xv). Ebu Qerim lives in a labyrinth and thus he has created it; he has created the second labyrinth, a psychic labyrinth which seems and appears more complicated than the first one. Construction of a labyrinth is accompanied by the labyrinth as a thought, which makes Tabir Saraji a more and more dispossessing building. Ebu Qerim cannot make it to own his dream interpretation and this will affect his family life, thus allegorically showing the difficulty of dominating a powerful, dictatorial mechanism, even when you are an important part of it.

“During the Middle Ages, mazes safeguarded the inhabitants of cities and burgs from the perils of the outside world. Chartres Cathedral houses one of the most famous labyrinths of the early modern Europe. As its location might suggest, this labyrinth offered more than physical protection. After reaching the maze’s centre, the pilgrims finally found the spiritual enlightenment” (Bloom Harold 2007, page 72). Once Ebu Qerim reaches the centre (archive), he feels more spiritually flippant and at the end of the novel presents us a person who has reached the centre. Anxiety becomes secondary and he starts to rediscover the pleasures of life.

Visually and iconogically speaking, the labyrinths which Ebu Qerim faces, are similar to the pictures of the Italian surrealist painter Giorgo de Chirico. There are illusive hallways and spaces Ebu Qerim keeps on becoming familiar with while being promoted, which require months and months to be discovered. They are so complicated that while becoming familiar with them, he himself uses the term “labyrinth” which comes up from the inside. As concerns Jung’s psychic analysis the unconsciousness is presented or symbolized by the labyrinthine hallways, mazes or spaces. So, in this context, Ebu Qerim interpreting a dream can be thought of as a character who examines a small labyrinth to interpret it, while Ebu Qerim himself is found within another gigantic labyrinth.

In conclusion, the labyrinth as a concept and a literary topic generates new meanings, and a variety of meanings in the literary work “The Palace of Dreams” and it stands as a metaphor for the totalitarian system, the penetrating power to an individual’s secret life, and the difficulty to finally dominate it.
6. The labyrinth or hell?

Are there any discrepancies regarding the widespread estimation regarding the novel “The Palace of Dreams”, respectively, 1- the hell of the totalitarian regime and 2- the concept of the labyrinth as an important part of the literary work imagery? I think that we have to do with two different components of the literary work or two “metaphors” of different intensity and force to describe the Palace of Dreams. These “metaphors” represent two very important aspects of the literary work. The second (the labyrinth) has to do with the imagery (imagery) of the literary work, while the first (hell) has to do with the full, simultaneous meaning of the literary work. By meaning, we simultaneously grasp the idea elaborated by the author. Let us refer once more to the literary critique. In his well known essay “The Archetypes of literature” Northrop Frye makes this conceptual distinction: “we are apt to think of narrative as a sequential representation of events in a outside “life,” and of meaning as a reflection of some external “idea.” And further more “We may call the rhythm of literature the narrative, and the pattern, the simultaneous mental grasp of the verbal structure. We hear or listen to the narrative, but when we grasp a writer’s total pattern we “see” what he means” (Frye Northrop 1963, page 508).

Labyrinth in the above essay has been seen directly as a part of the narrative imagery of the work, while not exempting the hell which is closely connected to that which has been called above ‘the writer’s total pattern’. In other similar works, let’s say Franz Kafka’s, we can notice this distinction made between the imagery and the total meaning of the work. The imagery is completely different from the total meaning of the work. A similar phenomenon can be noticed in this novel written by Kadare. Hence, many comparisons of the work “Palace of Dreams” by the Europian critique in relation to Kafka’s different works.

References

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Middlesex as a Bildungsroman: Cal/lie and the Problem of Identity

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Abstract

This paper analyses the novel Middlesex (2002) by Jeffrey Eugenides from the point of view of the Bildungsroman, considering moral, psychological, spiritual and social development and growth of the hero/ine from youth to maturity, whose desires and aspirations are in conflict with his/her environment and social order in the community. Regarding the Bildungsroman as a bond between (auto)biography and picaresque novel, Middlesex can also be considered as a Bildungsroman because of its specific narrative and the wanderings of the main protagonist from Detroit and San Francisco to Berlin. What makes Middlesex different from the classical Bildungsroman? During the process of development, the main heroine Calliope undergoes a unique change from a girl to a man, Cal, due to the impact of a mutated gene on three generations of an immigrant Greek family. Middlesex is a story about intersex where the protagonist, searching for her/his identity faces gender problem primarily within her/himself, and then with the community. The analysis of the inner life of the hero/ine and the struggle for his life mirrors the issues of the identity in the 21 century regarding the genre of the Bildungsroman.

Keywords: Bildungsroman, Middlesex, Greek immigrants, intersex, gender, identity

1. Introduction

Being originally a German subgenre, the Bildungsroman has spread and become one of the major novelistic forms in the Anglo-American literature. As the German word Bildung has various connotations (picture, portrait, shaping, formation), the term Bildungsroman had caused literary and scientific debates throughout centuries, which resulted in precise subcategorisation of specific types in German literature (Entwicklungsroman, Künstlerroman, Erziehungsroman), depending on the aspect of the development of the protagonist’s character (Buckley, 1974, p. 13-14). Entwicklungsroman deals with the general growth of a hero, Künstlerroman is concerned with the growth and self-development of an artist, whereas Erziehungsroman refers mostly to educational aspect of the protagonist’s self-growth.

In Anglo-American criticism definition of the Bildungsroman is more elastic and centred around the development of the protagonist’s character. The hero is usually an orphan or a person coming from a poor provincial family, who, driven by the ambition to explore the world and find his/her own self, moves to a big city, learning and experiencing new life. Having gained knowledge and experience, the hero usually finds true love and is finally ready to share life with another person.

The Bildungsroman is sometimes interpreted as a bond between (auto)biography and picaresque novel. Since it started developing at the time of great popularity of confessional writing, it has many elements of a confession. Modern (auto)biography has also influenced the Bildungsroman and initiated the change in the narration, which turned from the third-person to the first-person narration. Although the Bildungsroman and autobiography describe the protagonist’s development through her/his life, and have a similar narrative form, they differ in the abstraction of reality. In the Bildungsroman fact mingles with reality and at every moment this kind of a novel is fiction (p. 24). In autobiography the stylisation of life is not present; the author, narrator and the protagonist are the same. The autobiographer’s writing is based on facts, whereas in novel, there is a real author, a fictional narrator and a fictional hero. The author in the novel admits to telling a fictional story, using autobiographical elements which contribute to the sense of reality, but it still remains fiction (Nübel, 2000, p. 471).

The hero of the Bildungsroman is like a picaro, s/he wanders from place to place, searching for new experiences. In the contrast to picaro, who just drifts around looking for an adventure, and who is more meditative, the protagonist of
the *Bildungsroman* undergoes a process of personal development and maturity and his/her character forms synthesis till the end of the novel (Miles, 1974, p. 985).

Jeffrey Eugenides' *Middlesex* is a family saga describing three generations of Greek immigrants, from the first one fleeing from the poor village in Asia Minor to Detroit in 1922, over the second generation, which tries to assimilate and live as other Americans, to the third, whose member flees again, this time from America to Berlin, Europe. The family had its dark secret, namely, the first Stephanides', Desdemona and Leftie, who came to the USA as a married couple, are in fact brother and sister. In their incestuous relationship they had two children, Milton and Zoë, who were born as completely "normal" children, without any indications that their parents were of first kin. The problems started when their son Milton, who married his cousin Tessie, got his second child. After having a son, the couple desperately wanted a daughter. Following their uncle Pete's pattern on conceiving a daughter based on swift male and reliable female sperm, Tessie gave birth to Calliope, a baby girl.

If the old family doctor, Dr. Philobosian had properly examined the infant, the family would have been immediately informed about the anomaly of their child, but this was not the case. Thus Calliope was raised as a beloved beautiful girl until her puberty when her body started to develop in the strange way. Due to the 5-alpha-reductase deficiency, Callie's body did not produce dihydrotestosterone. She was born with external female genitals and was brought up as a girl, acting, thinking and looking as a girl. This lasted till her puberty when the other androgen, testosterone started to exert a strong effect on Callie's development: she grew very tall, got hairs over her face and body, changed her voice and consequently stopped being the lovely and sweet girl as she was before. After a car accident, Callie ended up in hospital and the secret started to unravel. She was taken to New York to the Sexual Disorders and Gender Identity Clinic where the most famous sexologist of the seventies tried to do her psychological assessment and define her gender identity.

Callie really wanted to be a girl because of her parents, so she deliberately faked the tests. As a consequence, Dr. Luce came to the conclusion that she was a girl and needed some cosmetic genital surgeries. Having read her medical file, in order to avoid the surgery and further humiliation, Callie decided to escape from the hospital and to live a life of his own. Leaving a note to his parents that he was a boy and felt like one too, Cal, who was fourteen, decided to go to California. After a long journey through many countries, he succeeded in coming to San Francisco and found a rather humiliating job in an erotic peep show club. Cal worked there among other "freaks" until he ended up in a prison after a police raid. When he phoned home, Cal learned that Milton had just died and this sad occasion brought him back home. Soon after, he applied for the post of foreign attaché assistant and got the job in which he could always be on the move—an exciting job in an erotic peep show club. Cal worked there among other "freaks" until he ended up in a prison after a police raid. When he phoned home, Cal learned that Milton had just died and this sad occasion brought him back home. Soon after, he applied for the post of foreign attaché assistant and got the job in which he could always be on the move—a few years in one place and then moving to another. At the moment of telling the story, Cal lives in Berlin and has just started dating an Asian girl, a kind of social outcast too. The relationship is developing in the promising way, so it has a chance to become a true romance.

2. Searching for identity

*Middlesex* is a novel about the painful growing up of the protagonist who, above all, has to cope with the genetic history of his family. The journey of the mutated gene is the main reason for Cal's ambiguous identity, intensified by the family's desperate wish for a daughter, as well as with social expectations of the American and immigrant community. The novel starts with a confession:

I was born twice: first, as a baby girl, on a remarkably smogless Detroit day in January of 1960; and then again, as a teenage boy, in an emergency room near Petroskey, Michigan in August of 1974. (...) My birth certificate lists my name as Calliope Helen Stephanides. My recent driver's licence (...) records my first name simply as Cal. (...) But now, at the age of forty-one, I feel another birth coming on (Eugenides, 2003, p. 1-2).

Callie was brought up in a conservative family where the father was the wage earner and mother was a shy housewife, who never undressed in front of children and avoided "bodily matters". Puberty, usually a painful period for every teenager, was a big burden for Callie as she had no one she could turn to talk to. First she experienced physical changes. She was bad at sport because of her "problematic body". Her testicles, which Cal called "anarchists", had taken place in her abdomen and if she crossed her legs in the wrong way, or moved too quickly, she felt sharp pain. Instead of breasts, her hairs started to grow on her face and body and her entire appearance started to change. She grew tall, without any characteristic female signs, so she started faking having a period. From an Apollonian type of Greek (as Call paraphrases Nietzsche), a beautiful girl with a face ringed with curls turned into a Dionysian type: her delicate nose and eyebrows began to arch. She was no longer beautiful and grew long hair over her face to cover herself and started feeling as a "freak". There were seventies and it was a good time to be flat-chested, androgyny was "in", so this diminished a little the whole masculine picture of Callie.
Apart from physical changes, different emotions started to appear. Callie found herself attracted to a female friend, which she called the “Obscure Object”. The first sexual experience Callie had with Object’s brother Jerome, after they all got drugged and drunk. This was a very painful experience, not just because she was forced into sex, but also from the physical side, namely, her internal organs were not developed as they are in women. Exposed as a “freak”, Callie, at the age of fourteen, suffered pain, humiliation and rejection.

At the Sexual Disorders and Gender Identity Clinic, Callie suffered even more humiliation, she felt like “a living experiment”. Her body was photographed, with her head covered in order to be published in medical books. Day after day Callie used to sit in the doctor’s office, talking about her life, feelings, likes and dislikes and later wrote about them. She still had a sense of guilt, because her parents had always wanted to have the all-American daughter, so she kept on hiding her true feelings. She suffered another shock when she found the following explanation of the word “hermaphrodite” in the Webster’s dictionary:

1. One having the sex organs and many of the secondary sex characteristics of both male and female.
2. Anything comprised of a combination of diverse or contradictory elements. See synonyms at MONSTER (p. 430).

After the first reaction in tears and astonishment, this explanation opened Callie’s eyes: she was aware that she would never be like other people and that the politeness and diminishing of her state was just hypocrisy from both doctors and her parents. Her faking the real state brought doctors to false interpretation of her sex. Suddenly, she decided to leave. There were two reasons for this decision: firstly, she did not want to embarrass her parents anymore and secondly, she was finally aware that she was more he and the surgery would not bring the unique identity. Callie felt more like a boy and started calling himself Cal.

Cal was aware of his androgyny. After he changed female clothes into male and had his hair done, he looked at himself in the mirror:

And in the mirror I didn’t see myself. (...) Not the shy girl with the tangled black hair in her face, but instead her fraternal brother. With the screen of my hair removed, the recent changes in my face were more evident. My jaw looked squarer, broader, my neck thicker, with a bulge of Adam’s apple in the center. It was unquestionably a male face, but the feelings inside that boy were still a girl’s. To cut up your hair after a breakup was a feminine reaction (p. 445).

Although he felt more like a boy, Cal did not feel entirely at home with men, he never fell out of place being a girl. His searching for his real self brought him to San Francisco among other people with similar problems: to earn for living, he found a job in a kind of a grotesque peep-show club called “Octopussy’s garden”. Cal was presented as the “God Hermaphroditus, half man – half woman” and swam in a tank with water exposing himself to voyeurs. His colleagues were transvestites, transsexuals and similar people who were rejected by the society because of their looks and sexuality. He felt safer and freer among them, although they were drunk and drugged before every performance, bored and unhappy, knowing they were exploited and humiliated and considered freakish.

At the present moment, being aware of himself, Cal knows he could not have children and this is one of reasons he never married. This is also one of the reasons he joined the Foreign Service. As a diplomat, he could always be on the move, never stay in one place. Currently he is in Berlin and this once-divided city reminds him of himself. He is still shy and has revealed his secret only to a few friends. Sometimes, when he feels lonely, he tells his story to an unknown person in a bar, otherwise he keeps silent forever.

When he meets a woman he is attracted to and when she likes him, it usually ends in “incomplete seduction”, it all stops at drinks and dinners. He leaves, making an excuse. Recently he has met an Asian girl who seems to understand him and a true romance could happen between two of them.

The conformism at the end, usually present in the Bildungsroman is obvious in this novel, too: Cal deliberately runs from relationships changing places to live, he does not want surgery since he feels it will not solve his problem of intersex. He gets close to people up to a point and when he should approach them, he decides to run away.

Also, despite having an androgynous mind, Cal claims he is not androgynous in the least. He feels like a male. In society he operates as a man. Although he has lived more than half of his life as a male, sometimes Calliope surfaces, bringing girlish emotions with herself and Cal feels possessed:

Callie rises up inside me, wearing my skin like a lose robe. She sticks her little hands into the baggy sleeves of my arms. She inserts her chimp’s feet through the trousers of my legs. On the sidewalk I’ll feel her girlish walk take over, and the movement brings back a kind of emotion, a desolate and gossipy sympathy for the girls I see coming home from school. (...)The sick fluid of adolescent despair that runs through her veins overflow again into mine. But then, just as suddenly, she is leaving, shrinking and melting inside me, and when I turn to see my reflection in a window, there’s this: a forty-one-year-old man with longish, wavy hair, a thin moustache, and a goatee. A kind of modern Musketeer (p. 42).
3. Cal as a modern picaro and his confession

As a picaro in a picaresque novel, Cal was always on the move from his fourteenth year. After his escape from the hospital in New York, he did not return to his home town Detroit, but travelled across Ohio, Indiana, Illinois, Iowa and Nebraska to California, San Francisco. His choice of a diplomatic post brought him to another continent, to Berlin, which still does not seem to be his last stop. Picaro moves from one place to another in timeless eternity, the episodes recount his adventures; hence history can gain endless dimensions. In the Bildungsroman the narrator is distanced from the hero and his/her life. The time in the Bildungsroman is not chronological and readers can follow the formation of the hero’s character through reflections and memories of the past (Sirković & Bilić, 2008, p. 365). In the novel Middlesex, present and past interfere, Cal retells stories from the past from the present point of view, commenting and explaining them from the present experience.

What is the narrative structure of Middlesex? The omniscient author tells the story in two, or three voices: the third-person voice which retells the stories from the past, mostly the events concerning Cal’s grandparents and parents, then Callie’s voice and finally Cal’s voice, which two sound same. It seems that Eugenides concerned Callie and Cal as having the same narrative voice. Despite Cal’s changes in appearances and behaving as a male, their mode of thinking remains the same. However, it is notable that sometimes Cal’s telling in the first-person narrative switches to the third-person when talking about Callie – the author emphasizes that Cal wanted to distance himself from Callie. For example, the episode in which Callie discovered the word “hermaphrodite” in Webster’s dictionary is told in the first-person (meaning, Cal tells the story), but when describing Callie’s first reactions on the chain of similar words, the narrative switches to the third-person:

Callie herself was holding on to this chain now. She was tugging on it, winding it around her hand, so that her fingers went white, as she stared down at that word. Monster. (…) That was what she was (Eugenides, p. 431).

The switching from the first-person, meaning personal, to the third-person, in this case external, points out to Callie’s final discovery of her state. She thought she was objectively considered as a monster, but from the present situation, Cal distances himself from that judgement.

In many situations, the omniscient author tells the story in an ironic way and anticipates future events. This is particularly obvious in retelling the prefetal period of Cal/lie’s life in terms of his/her genes. When describing the dialogue between Tessie and Milton about techniques of conceiving a daughter, the narrator says: “Of course, a narrator in my position (prefetal at that time) can’t be entirely sure about any of this” (p. 9). A little later, he anticipates his coming to the world: “Meanwhile, in the greenroom of the world, I waited” (p. 11).

The history of the family deeply influenced the formation and development of Cal’s character, which he confirms at the beginning of the novel:

All I know is this: despite my androgenised brain, there’s an innate feminine circularity of the story I have to tell. In any genetic history: I’m the final clause in a periodic sentence, and that sentence begins a long time ago, in another language, and you have to read it from the beginning to get to the end, which is my arrival (p.20).

The omniscient author plays with readers telling stories from Cal’s prefetal and prenatal phases, then getting into other characters’ minds, and finally, following both Callie’s and Cal’s thoughts and commenting their acting. He often reveals present situation and then goes back to the past to explain how something had happened. Nevertheless, it does not diminish the suspense of the story. The narrator is not judgemental and shows understanding for the hero as well as for other characters and sympathises with Cal/lie’s painful experience and journey to his identity.

4. Conclusion

The story of the development of the protagonist’s character from youth, in this case from birth to maturity, tracing his conflict with the environment and social rules, as well as common issues with the autobiographical and picaresque novel, make this novel a Bildungsroman. Middlesex is a story about Intersex where the protagonist, being born as a hermaphrodite man, but from his birth mistaken for a girl, faces gender problem which he has to solve primarily within himself, and then with the community. Throughout the novel, Cal searches for his identity through painful experiences and maturing processes, finally accepting a kind of conformity in order to fit into the community. Proper integration is not possible and, being aware of it, Cal chooses a job which enables him to change places every few years, so he does not have to make intimate friendships and relationships. He remains a lonesome person with a secret, but he can live with it, he has gained self-confidence and has courage and strength to be an equal member of society.
References

'Rebranding' through Names: A New Revolution in the Malays’ Identity Identification

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Abstract

It is a common belief among Malays in Malaysia that someone’s name will have a great influence upon the development of their personality. As for Malays who are Muslims in religion, some guidelines for naming a child are included in their religious teachings. The general practice of Malays in selecting names for their children involves the names in Arabic with some meaningful denotations. However, some Malay parents nowadays seem to ignore their Malay tradition and religious teachings in naming their children. This new practice of naming children among Malays apparently has signaled the process of ‘rebranding’ the Malays through their names that resemble English names which is currently pervasive in that community. Therefore, it is important for the perception of the Malays with their English-resembled names or à la English names to be examined because this seemingly new revolution in the identification of the Malays’ identity can probably give rise to many problems in the sense of identity association via names.

Keywords: ‘Rebranding’, à la English names, Identity, Malays, Naming, Islam.

1. Introduction

Takkan Melayu hilang di dunia, which if translated literally means, ‘It is unthinkable for the Malays to disappear from the face of the earth’, is the famous saying of the legendary Malay warrior, Hang Tuah. Ismail Noor and Muhammad Azaham (2000) view the Malay adage as a truism, challenge for Malay future generations to preserve and promote the Malay spirit of enterprise and value system so that they will not be washed with time. It is perhaps impossible for the Malays to be an extinct race, but the disappearance of the Malays that were once recognized for some specific characteristics as their identity marker is possible to happen.

According to Shamsul Amri Baharuddin (2005), globalization has affected people’s identity as local identity is now intimidated by the global identity. Hashim Musa (2001) claims that globalization that is experienced by many Islamic countries including Malaysia has contributed to the emergence of the community marked by their imitation, borrowing and reliance on the elements considered to be distinguished (superior) from the West. As a result of Western influence brought by globalization, there is a growing tendency among Malay parents in Malaysia today to name their children names that sound much like English names, despite their religious teachings that suggest Arabic names with beautiful meanings for the believers of Islam.

1.1 Problem Statement

The issue of ‘rebranding’ of the Malays through names that resemble English names, which the researchers wish to address as the ‘à la English names’, can perhaps cause a serious identity crisis for those with such names. This is a new revolution in the identity marking of the Malays that can invite a lot of confusion in terms of identification of the Malays, and thus investigating the perception of the Malays towards their à la English names is imperative.
1.2 Objectives

The study basically aims to discern how the Malays who possess à la English names perceive their names and the identity they believe their names should represent. In summary, the main objectives of this research are as follows:

i. To identify Malay, UNITEN students’ perception towards their names.

ii. To determine if there is any significant difference between the male and female Malay, UNITEN students in perceiving their names.

1.3 Research Questions

Based on its objectives, this study intends to obtain the answers to the following questions:

i. What is Malay, UNITEN students’ perception towards their names?

ii. Is there any significant difference between the male and female Malay, UNITEN students in perceiving their names?

1.4 Significance of the Study

This study can serve as the answer to the arguable issue related to the apparently new trend among Malay parents to give their children names that resemble English names, particularly in association with how the individuals with such names view the function of their names in their identity representation. Besides, the perception towards à la English names between male and female Malays can make this study another source of information on gender studies.

2. Literature Review

2.1 Definition of ‘Malay’

Barnard and Maier (2004) claim that the precise meanings of Malay or its equivalents, Melayu and Maleis have never been established and they never will be. On the other hand, Vickers (2004) believes that in practice, Malay is a fraught term. For this paper, the definitions of Malay discussed are restricted to those related to Malay as an identity marker of the people who meet the criteria to be categorized as such. One of the definitions is the one provided by Dewan Bahasa dan Pustaka (the main organization of Malay language in Malaysia) and the United Nations that refer to Malays as ‘the aboriginal residents that speak Malay, are Muslims with respect to religion, and practice Malay tradition and custom. They are under the Sultanate ruling and they are the nation with a privilege status in Malaysia, and they abide by Islam’ (Zuhaimy Ismail, 2009). According to Ismail Noor and Muhammad Azaham (2000, p. xi ), ‘The Malay is a practicing Muslim, residing in Malaysia, whose roots go back to his ancestors of the Old Malacca Empire and of those who were the sons of the soil in the other parts of the Malay archipelago, stretching as far back in history as 3000 B.C.’

According to Hooker (2004), the constitutional definition of Malay as stated in Laws of Malaysia: Federal Constitution, Article 160 declares a Malay as ‘a person who professes the religion of Islam, habitually speaks the Malay language, conforms to Malay custom and, was before Merdeka Day born in the Federation or in Singapore or born of parents one of whom was born in the Federation or in Singapore, or is on that day domiciled in the Federation or in Singapore; or is the issue of such a person.’ To summarize, in describing Malay identity, the three main characteristics are: Malay language, Malay custom and Islam.

2.2 Malays in Malaysia

According to Shamsul Amri Baharuddin (2005), during the pre-colonial era in then Malaya (now known as Malaysia), collective identity was determined based on the place of origin. Vickers (2004) claims that any Malays in Malaysia are the descendants of the Malays from outside the Malay peninsula, or from Bugis and Minangkabau who came from the neighboring land, Indonesia. During the colonization of Malaya, the term Malay was used to categorize the Malay-speaking Muslims residing in the Peninsula and offshore islands from Indian and Chinese immigrants (Andaya & Andaya, 1982). Clearly, Malays in Malaysia have been associated with Islam since before the independence of the country in 1957 and even after being granted independence, the colonized practice of defining the Malays was still continued as the definition was formalized in the Malayan Constitution.
Vickers (2004) states that the ruling class of the nation state of Malaysia maintains a hegemonic Malay identity based on the difference between supposedly indigenous Islamic Malays and ‘outsiders’, namely Chinese and Indians. According to Vickers (2004, p. 27), ‘Malay is meant to be coterminous with bumiputera, which in its literal meaning, ‘sons of the soil’ denotes the indigenous status of the Malays.’ According to Mahathir bin Mohamad (2003a), in the history of the British administration of Malaya, the Malays were recognized by the British as the definitive people of Malaya. Besides, Malaya was also known as Tanah Melayu (Malayland) which this indicates that the existence of Malays as part of the identity of the region was long acknowledged (Abdul Ghani Othman, 2009). The Malays until today still represent the majority of the population of Malaysia.

2.3 The Concept of Name, Identity Identification and Gender-related Perception

The Malay proverb, ‘Tigers die and leave their stripes, humans die and leave their names’ obviously implies how important someone’s name is. This is probably due to the fact that a person’s name has a close tie to his self depending on what his name suggests in meaning. For instance, a person with a good name often tries to behave himself in order not to tarnish such a good name of his (Mohd Yusoff Abas, 2003).

The term, ‘identity’ is derived from the Latin, idem which literally means ‘similarity’ or ‘continuity’ (Shamsul Amri Baharuddin, 2005). Theoretically, individual identity is confined to representing only a particular individual. Nevertheless, sociologically, the individual’s characteristics that shape his identity are recognized by other people either formally or informally. As for collective identity, the similarities in some aspects between an individual and the others namely their language; culture such as their architectural designs and arts; religion and even their delicacies, are the measure for their shared identity. The collective identity of Malays among others is Islam. In relation to giving names to children, Islamic doctrine places great emphasis on naming a child as there is a belief that a human being shall be called by his name in life after death (Fatimah Hj. Omar, 1995). A name then in Islamic perspective, is a critical identity identification of an individual as it covers both his worldly life and the hereafter. To illustrate, Arabic names are commonly connected to Muslims as such names are proposed by Islam. Thus, a name may also carry the religious association of a person.

Macoby (1990) argues that psychologically, gender similarities and differences are conditional that in some aspects, men and women are similar and in some other, they are different. However, most people believe, that there are important psychological attributes that distinguish men and women (Lueptow, Garovich-Szabo, & Lueptow, 2001; Prentice & Carranza, 2004; Chataird, Guimond, & Selimbegovic, 2007). As for perception towards one’s own name, perhaps each individual has his or her own view about it. ‘Perception can be thought of as each individual’s personal theory of reality, the knowledge gathering process that defines our view of the world’ (Sekuler & Blake, 2002, p. 12). Probably, there is the influence of gender that causes the differences in how males and females personally perceive their own names.

2.4 Malays and Islamic Teachings in Naming

Islam is a comprehensive religion. Its teachings encompass every aspect and cycle of human life even as early as a human being is born. From Prophet Muhammad, Samirah narrated, ‘Slaughter (an animal) on the seventh day (of his birth), give him a good name and shave his head on the day’ (Abdullah, 1990, p. 64). According to a hadith (the saying of Prophet Muhammad) narrated by Abu Dawud, the Prophet said, ‘Surely you shall be called on the Day of Judgment by your name and your father’s, so give (a child) a good name’ (Fatimah Hj. Omar, 1995, p. 68). With respect to naming a child, Islam provides some guidelines for its believers as a hadith narrated by Abu Dawud and others mentions, ‘Give the names of the prophets, and the names most loved by Allah are Abdullah and Abdul Rahman, and the most truthful are Haris and Hamman’ (Fatimah Hj. Omar, 1995, p. 69). The core of a name in Islamic perspective is the meaning it conveys. Prophet Muhammad used to change the names, Harb and Muroh into Hassan and Husain as the former two names have negative meanings. As for the Malays’ new revolution in naming a child that signals favoritism towards à la English names, they clearly seem to disregard their Islamic teachings, thus not making them easily identifiable with their Islamic names.

2.5 Rebranding through Names in the Context of Malays’ Identity Identification

A brand is ‘a specific name, symbol, or design that is used to distinguish a particular seller’s product’ (Doyle & Stern, 2006, p.104). According to Davey and Jacks (2000), the functions of the brand name of a product are to say something
about it and be responsible for creating its cachet value. Davey and Jacks (2000) believe that the idea behind branding a product is for the inventor or manufacturer to identify it as theirs, and for customers to identify it with the lifestyle it represents. As for rebranding of a product, this may involve the change of existing name, logo or packaging of the product (Lim, 2008). However, the ‘rebranding’ discussed in this paper refers to the seemingly growing inclination or preference among Malay parents to give à la English names to their children compared to Arabic names proposed by Islam that this apparently indicates a new revolution in their identity identification.

This issue is evidenced considering the names given by many Malay celebrities to their children nowadays that this seems to suggest even the public figures are experiencing this pervasively new shift in naming a child in the community. For instance, Malay artistes such as Que Haidar and Fauziah Latif used to receive criticisms from the media for their children’s names, Cleopatra (Sazwan Zakariah, 2012), and Jeffrey Joaquim and Jeremy Jay (Khadijah Ibrahim, 2012). Two other celebrities, Faezah Elai and Norish Karman each named their child, Dealova (Amirah Amaly Syafaat, 2013) and Alexander (‘Never argue about Haq’s status- NK’, 2012) respectively. Besides, Ning Baizura was also criticized for her son’s name, Ryan Sky that was claimed not Islamic at all (Khadijah Ibrahim, 2013). Obviously, the ‘rebranding’ of Malays through names involves the selection of names from the West compared to the other parts of the world.

2.6 Identity Transformation and Westernization

Shamsul Amri Baharuddin (2005) claims, in identity transformation, the identity will go through some changes either it is static or dynamic. The changes in identity may occur because of the pressure from inside or outside a community. Most Social Science and History studies emphasize that the major agent for transforming the identity of the majority of humans in the world is westernization that comes together with colonization (Shamsul Amri Baharuddin, 2005). Modern living environment, especially on the arrival of the new millennium is beset by the distracting influences as a result of extensive global liberalization and permissiveness (Ismail Noor & Muhammad Azaham, 2000). Shad Saleem Faruqi (2006, p. 25) mentions, ‘We cannot retreat to the past and ignore present realities…We have to accept multiple identities. We have to show tolerance of others and yet not allow our identities as Muslims to be obliterated.’ Clearly, despite the intensifying challenges to identity preservation brought by globalization at present, Muslims, Malays included should remain steadfast in their Islamic practices including child naming.

3. Methodology

3.1 Research Design

This study employed descriptive, quantitative research design using a questionnaire survey on the respondents’ perception towards their names and the identity their names should represent.

3.2 Sampling Method

Non-probability sampling was employed where 30 respondents from the populations of Foundation and Bachelor’s Degree students of Universiti Tenaga Nasional (UNITEN) were selected from the students’ profiles database to represent the predetermined sample size of the study. The sample consisted of students with three main criteria: à la English names, Malay, and male/female. The researchers clearly conducted purposive sampling as such characteristics of the respondents were predefined with the judgment that these people could provide the best information to achieve the objectives of the study (Kumar, 2011).

3.3 Participants

There were 30 respondents participated in the study where 15 of them were male and another 15 were female. The respondents were within the age range of 18 to 23 years old.

3.4 Instrument

The questionnaire administered to the respondents consisted of 25 self-reporting statements that focused on how a person perceives his/her à la English name should represent, with regard to identity identification. The respondents’
perception towards their given names was measured using five-point Likert Scale where a numerical value was assigned to each level of agreeing: Strongly disagree = 1, Disagree = 2, Undecided = 3, Agree = 4, and Strongly agree = 5.

3.5 Data Collection and Analysis
The data for the main study was collected in one stage only which means there was no test-retest involved. Next, the quantitative data was entered into the Statistical Package for Social Sciences (SPSS) version 17.0 and was analyzed using this software.

3.5.1 The Pilot Study
A pilot study was conducted with 10 students (five males and five females) that aimed at testing the validity of the questionnaire to be used by the researchers including its reliability coefficient, and the clarity and comprehensibility of all items and instructions in it. The pilot study was conducted three weeks before the main study began.

3.5.2 The Main Study
The main study commenced with an introductory session with the respondents, where the researchers explained to them the purposes of the research to ensure they understood them, and clarified the instructions and meanings of technical terms included in the questionnaire to familiarize the respondents with the terms used. The time given for the students to fill in the questionnaire was two hours maximum. The participants involved in the pilot test managed to submit their completed questionnaire in less than one hour which this suggested that a two-hour duration for answering the items was appropriate.

4. Findings and Analysis
This section presents the data analysis of the study. The two fundamental goals of this research namely, to identify the respondents’ perception towards their names, and to determine if there is any significant difference between the male and female respondents in perceiving their names, drove the collection of the data and the subsequent data analysis.

4.1 Pilot Test
4.1.1 Internal Consistency

Table 1: Cronbach's Alpha Reliability Coefficient for the Instrument

\[
\begin{array}{|c|c|}
\hline
\text{Perception towards name} & \text{Cronbach's Alpha Score} \\
\hline
25 self-reporting statements & 0.763 \\
\hline
\end{array}
\]

The participants in the pilot test responded to the 25 items in the questionnaire. The items used in measuring the construct demonstrated relatively good reliability when the Cronbach’s alpha displayed the value, 0.763 (see Table 1). This figure represented an acceptable value that indicated the questionnaire was reliable to be utilized for the study as the reports about the acceptable values of alpha presented the range from 0.70 to 0.95 (Nunnally & Bernstein, 1994; DeVellis, 2003).

4.2 Main Test
4.2.1 Research Question 1: What is Malay, UNITEN students' perception towards their names?

4.2.1.1 Respondents' Overall Perception towards Names
Table 2: Frequency (f) Distribution (in percentage) for the Respondents’ Perception towards Names

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>Gender</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Undecided</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>f %</td>
<td>f %</td>
<td>f %</td>
<td>f %</td>
<td>f %</td>
</tr>
<tr>
<td>1.</td>
<td>I think my name is unique.</td>
<td>Male</td>
<td>0 0 1 3.3</td>
<td>7 23.3</td>
<td>7 23.3</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 1 3.3</td>
<td>1 3.3</td>
<td>5 16.7</td>
<td>8 26.7</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>I feel proud of myself that I have a unique name.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>7 23.3</td>
<td>7 23.3</td>
<td>1 3.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>1 3.3</td>
<td>3 10</td>
<td>11 36.7</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>I am happy with my name.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>1 3.3</td>
<td>12 40</td>
<td>2 6.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>3 10</td>
<td>4 13.3</td>
<td>8 26.7</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>I feel that my name does not suit me as a Malay.</td>
<td>Male</td>
<td>0 0 3 10</td>
<td>6 20</td>
<td>4 13.3</td>
<td>2 6.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 1 3.3</td>
<td>4 13.3</td>
<td>8 26.7</td>
<td>2 6.7</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>I think my name does not represent me as a Malay.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>0 0</td>
<td>8 26.7</td>
<td>7 23.3</td>
<td>0 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>1 3.3</td>
<td>7 23.3</td>
<td>7 23.3</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>As a Malay, I am not proud of my name.</td>
<td>Male</td>
<td>0 0 2 6.7</td>
<td>6 20</td>
<td>5 16.7</td>
<td>2 6.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>2 6.7</td>
<td>9 30</td>
<td>4 13.3</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>I think my name suits the non-Muslims better.</td>
<td>Male</td>
<td>0 0 3 10</td>
<td>7 23.3</td>
<td>5 16.7</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>1 3.3 4 13.3</td>
<td>4 13.3</td>
<td>3 10</td>
<td>3 10</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>I always wonder what my name really means.</td>
<td>Male</td>
<td>0 0 5 16.7</td>
<td>6 20</td>
<td>3 10</td>
<td>1 3.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 1 3.3</td>
<td>0 0</td>
<td>10 33.3</td>
<td>14 13.3</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>I don’t really think my name has any meaning from the perspective of Islam.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>3 10</td>
<td>12 40</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 2 6.7</td>
<td>5 16.7</td>
<td>8 26.7</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>I think I should change my name.</td>
<td>Male</td>
<td>0 0 4 13.3</td>
<td>9 30</td>
<td>2 6.7</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 8 26.7</td>
<td>5 16.7</td>
<td>2 6.7</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>People always ask me if I’m a non-Muslim when I tell them my name.</td>
<td>Male</td>
<td>0 0 7 23.3</td>
<td>5 16.7</td>
<td>3 10</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>2 6.7 3 10</td>
<td>6 20</td>
<td>3 10</td>
<td>1 3.3</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>People are always confused if I’m a Muslim or not by my name.</td>
<td>Male</td>
<td>0 0 8 26.7</td>
<td>5 16.7</td>
<td>2 6.7</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 1 3.3</td>
<td>5 16.7</td>
<td>9 30</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>People always ask me what my name means.</td>
<td>Male</td>
<td>0 0 1 3.3</td>
<td>5 16.7</td>
<td>8 26.7</td>
<td>1 3.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>0 0</td>
<td>4 13.3</td>
<td>11 36.7</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>I think Islamic names are beautiful.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>3 10</td>
<td>8 26.7</td>
<td>4 13.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 1 3.3</td>
<td>3 10</td>
<td>9 30</td>
<td>2 6.7</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>I think my name resembles English name.</td>
<td>Male</td>
<td>0 0 3 10</td>
<td>6 20</td>
<td>6 20</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>1 3.3</td>
<td>9 30</td>
<td>5 16.7</td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>I think English names sound better than Arabic names.</td>
<td>Male</td>
<td>1 3.3 6 20</td>
<td>7 23.3</td>
<td>1 3.3</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 1 3.3</td>
<td>1 3.3</td>
<td>12 40</td>
<td>1 3.3</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>I think Malay people should have Islamic names with good meanings.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>1 3.3</td>
<td>7 23.3</td>
<td>7 23.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 1 3.3</td>
<td>5 16.7</td>
<td>9 30</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>I think that parents nowadays tend to name their children à la English names.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>2 6.7</td>
<td>11 36.7</td>
<td>2 6.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>2 6.7</td>
<td>11 36.7</td>
<td>2 6.7</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>I think Western influence in the Malay society today is the result of globalization.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>2 6.7</td>
<td>9 30</td>
<td>4 13.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 1 3.3</td>
<td>1 3.3</td>
<td>10 33.3</td>
<td>3 10</td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>The media is one of the factors that influence naming a child.</td>
<td>Male</td>
<td>0 0 1 3.3</td>
<td>2 6.7</td>
<td>11 36.7</td>
<td>1 3.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 1 3.3</td>
<td>3 11</td>
<td>11 36.7</td>
<td>2 6.7</td>
<td></td>
</tr>
<tr>
<td>21.</td>
<td>If I had a child, I would give him/her a name that resembles Western people’s name.</td>
<td>Male</td>
<td>3 10 3 10</td>
<td>7 23.3</td>
<td>2 6.7</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>2 6.7</td>
<td>9 30</td>
<td>4 13.3</td>
<td></td>
</tr>
<tr>
<td>22.</td>
<td>I like the à la English names presented in many Malay novels nowadays.</td>
<td>Male</td>
<td>0 0 1 3.3</td>
<td>8 26.7</td>
<td>5 16.7</td>
<td>1 3.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 2 6.7</td>
<td>3 10</td>
<td>7 23.3</td>
<td>3 10</td>
<td></td>
</tr>
<tr>
<td>23.</td>
<td>I think with my name, my English should be good.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>1 3.3</td>
<td>10 33.3</td>
<td>4 13.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>1 3.3</td>
<td>5 16.7</td>
<td>9 30</td>
<td></td>
</tr>
<tr>
<td>24.</td>
<td>I like English subjects.</td>
<td>Male</td>
<td>0 0 2 6.7</td>
<td>2 6.7</td>
<td>11 36.7</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>1 3.3</td>
<td>5 16.7</td>
<td>9 30</td>
<td></td>
</tr>
<tr>
<td>25.</td>
<td>I want to improve my English.</td>
<td>Male</td>
<td>0 0 0 0</td>
<td>1 3.3</td>
<td>11 36.7</td>
<td>3 10</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 0 0 0</td>
<td>0 0</td>
<td>1 3.3</td>
<td>14 46.7</td>
<td></td>
</tr>
</tbody>
</table>

| Total|                          |         | 7 0.93 78 10.4 175 23.3 344 45.9 146 19.5 |
Table 2 above shows the frequency (f) and percentage (%) distribution for all items in the questionnaire that make up the respondents’ perception towards their names. To answer Research Question 1, within the ‘strongly disagree’ to ‘strongly agree’ range, most of the respondents (45.9%) assigned ‘agree’ to the 25 statements in the questionnaire. As for the other levels of agreement or disagreement, 19.5% of the participants strongly agreed, while only 0.93% of the respondents strongly disagreed with the items. The rest of the respondents, 10.4% and 23.3% of them assigned ‘disagree’ and ‘undecided’ to the items respectively.

Dividing the items into the pro and against à la English names, for the items that support possessing the names (item 1, 2, 3, 16, 21 and 22), there were more female respondents that indicated their agreement with the items compared to male, as there were 40 of them who reported they agreed, while 35 of them who revealed they strongly agreed with the items. 34 male respondents assigned ‘agree’ to the statements, while only four of them revealed they strongly agreed with the items. These numbers accounted for 38 male respondents in total compared to 75 female respondents in sum. For the items that can be considered as opposing à la English names to be possessed by Malays (item 4, 5, 6, 7, 9, 10, 14 and 17), again, the female participants accounted for the majority of respondents who selected ‘agree’ (55 respondents) and ‘strongly agree’ (18 respondents) for the items. The number of male respondents who reported they agreed with the items was 50, while for the males who strongly agreed with the statements, the number was 15. Of all the total percentage (23.3%) for the response option, ‘undecided’, the participants who responded more to this were males as 15.6% of them assigned ‘undecided’ to the items. On the contrary, only 7.7% of female participants responded to such response option.

4.2.2 Research Question 2: Is there any significant difference between the male and female Malay, UNITEN students in perceiving their names?

4.2.2.1 The Perception Towards Names between Male and Female Respondents

Table 3: Independent Samples Test

<table>
<thead>
<tr>
<th>Item</th>
<th>Statement</th>
<th>Gender</th>
<th>Independent Samples Test</th>
<th>t-test for Equality of Means</th>
<th>Mean</th>
<th>SD</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I think my name is unique.</td>
<td>Male</td>
<td>3.40</td>
<td>.632</td>
<td>-2.937</td>
<td>28</td>
<td>.004</td>
<td>-.933</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>4.33</td>
<td>.900</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>I feel proud of myself that I have a unique name.</td>
<td>Male</td>
<td>3.60</td>
<td>.632</td>
<td>-5.067</td>
<td>28</td>
<td>.000</td>
<td>-1.067</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>4.67</td>
<td>.617</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>I am happy with my name.</td>
<td>Male</td>
<td>4.07</td>
<td>.458</td>
<td>-2.033</td>
<td>28</td>
<td>.049</td>
<td>-.267</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>4.33</td>
<td>.616</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>I feel that my name does not suit me as a Malay.</td>
<td>Male</td>
<td>3.33</td>
<td>.976</td>
<td>-2.228</td>
<td>28</td>
<td>.030</td>
<td>-.400</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>3.73</td>
<td>.799</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>I think my name does not represent me as a Malay.</td>
<td>Male</td>
<td>3.47</td>
<td>.516</td>
<td>-2.427</td>
<td>28</td>
<td>.019</td>
<td>-.933</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>4.40</td>
<td>.632</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>As a Malay, I am not proud of my name.</td>
<td>Male</td>
<td>3.47</td>
<td>.915</td>
<td>-2.312</td>
<td>28</td>
<td>.028</td>
<td>-.667</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>4.13</td>
<td>.640</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>I think my name suits the non-Muslims better.</td>
<td>Male</td>
<td>3.13</td>
<td>.743</td>
<td>-1.376</td>
<td>28</td>
<td>.170</td>
<td>-.067</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>3.20</td>
<td>1.265</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>I always wonder what my name really means.</td>
<td>Male</td>
<td>3.00</td>
<td>.926</td>
<td>-3.697</td>
<td>28</td>
<td>.001</td>
<td>-1.133</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>4.13</td>
<td>.743</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>I don’t really think my name has any meaning from the perspective of Islam.</td>
<td>Male</td>
<td>3.80</td>
<td>.414</td>
<td>1.833</td>
<td>28</td>
<td>.077</td>
<td>.400</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>3.40</td>
<td>.737</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>I think I should change my name.</td>
<td>Male</td>
<td>2.87</td>
<td>.640</td>
<td>1.058</td>
<td>28</td>
<td>.299</td>
<td>.267</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>2.60</td>
<td>.737</td>
<td></td>
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<td>11</td>
<td>People always ask me if I’m a non-Muslim when I tell them my name.</td>
<td>Male</td>
<td>2.73</td>
<td>.999</td>
<td>-3.74</td>
<td>28</td>
<td>.011</td>
<td>-.133</td>
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<td></td>
<td></td>
<td>Female</td>
<td>2.87</td>
<td>1.125</td>
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<td>12</td>
<td>People are always confused if I’m a Muslim or not by my name.</td>
<td>Male</td>
<td>2.60</td>
<td>.737</td>
<td>-3.704</td>
<td>28</td>
<td>.001</td>
<td>-.933</td>
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<td></td>
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<td>Female</td>
<td>3.53</td>
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An independent-samples t-test was conducted to compare the male respondents’ perception towards their names with the one of female respondents. The items highlighted (item 3, 4, 7, 9, 10, 11, 14, 18, 19, 20, 22, and 23) in Table 3 above show no significant difference between male and female respondents judging by their mean scores and significant values as their p-values were >.05. For example, item 3 (‘I am happy with my name’) presented no significant difference between male (M= 4.07, SD= .458) and female respondents (M= 4.33, SD= .816); t(22)= -1.103, as the significant 2-tailed value generated was p=.282. Whereas, the remaining items (item 1, 2, 5, 6, 8, 12, 13, 15, 16, 17, 21, 24, and 25) showed a significant difference, considering their mean scores and 2-tailed significant values as their p-values were <.05 (Creswell, 2008). For instance, the result for item 1 (‘I think my name is unique’) revealed a significant difference between male (M= 3.40, SD= .632) and female respondents (M= 4.33, SD= .900); t(28)= -3.287, and p=.003. To summarize, there were some significant differences in the responses provided by male and female participants, and this among others involved items pertaining to presenting Malay identity through names, the meaning of their names, and planning the names of their future children.

5. Discussion

Clearly, most of the female respondents favor à la English names as they even intend to name their children such names. This seems to signal that a new revolution of the ‘rebranding’ of the next generation is likely to occur. To support this prediction, the majority of female respondents perceive English names sound better than Arabic names. Perhaps, this is one reason why they prefer to name their future children à la English names. Ironically, despite their preference for à la English names, they always wonder what their names mean, and also admit that Malay people should have Islamic names with good meanings. Apparently, they seem to have a crisis with sticking to one identity with regard to their names. Besides, it seems that when not being identified as of any racial group, the majority of male and female respondents are proud of their names. However, when they are identified as Malays, most of the respondents feel the opposite. The respondents are likely to experience a crisis as they seem to be unsure whether they should be happy with their identity as Malays with à la English names, or with their identity as simply individuals with such names. Perhaps, the ‘rebranding’ of Malays via à la English names occurs as a result of Western influence that comes together with globalization as indicated by the majority of the respondents. Probably, this is true as according to the former Prime
Minister of Malaysia, Mahathir bin Mohamad (2003b, p. 116), ‘Human beings in 21st century will witness the new world: the world that has become so small that there are no longer boundaries. We were informed that with information technology, we would face the world without any boundary.’ Based on this premise, the media that is part of information technology perhaps is responsible for influencing the naming of a child as reported by the respondents in majority.

6. Conclusion

The results of this study perhaps can be considered by Malay parents in naming their children to help them picture the possible experiences that their children would go through, and the perception they would form about their names if they own à la English names. Apart from the perception of the Malay people towards their à la English names, the perception of other people towards such names is also significant to be paid attention to in order to get their general idea about the names. Besides, an extensive research can be conducted for the purpose of discovering more about the real crisis likely to be experienced by Malay people regarding their identity identification via their à la English names. Also, the other causal factors for such a new ‘rebranding’ through names among Malays are significant to be investigated apart from the media and globalization as the reasons highlighted in the present research. Nevertheless, this study can serve as another source of information on naming among Malays in Malaysia.

References


Black Humor, a Way to Face Atrocities of the 21st Century in Kurt Vonnegut's Fiction

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Abstract

Kurt Vonnegut, one of the most known writers of the 20th century American Literature, has always been more concerned with ideas than with characterization. In most of his works, Vonnegut probes the question of why people commit atrocities and how they can live with their conscience. That is why he chooses humor to make readers confront the pains and sufferings. Even though Vonnegut always denied any kind of label, we can agree that he deserves to be called a Black Humorist. The term, in fact, has caused discussions among literary scholars, especially concerning the difference between black humor and satire. But in the 1960s, Bruce Friedman wrote a book called Black Humor that includes several contemporary writers. He said that writers like J. Barth, J. Heller, K. Vonnegut and others could be considered black humorists because they make readers laugh at hopeless situations. However, nothing could explain black humor – or as he called it “gallows humor” – better than Vonnegut did, when he says in Wampeters, Foma & Granfalloons: “The biggest laughs are based on the biggest disappointments and the biggest fears”. (258) Jokes and laughs in dangerous and difficult situations are found in most of his novels, like “Slaughterhouse-Five”, “Mother Night”, “Cat’s Cradle”, etc. So, Black Humor calls attention to a significant part of Vonnegut’s fiction. That is the aim of this paper: to show how he chooses comedy to face the atrocities and sufferings of 20th century.

Keywords: black humor, satire, jokes, atrocities, respond, fiction

“So it goes” was an expression that many young students wrote in the boards in the United States of America, when protesting against the war in Vietnam. This expression was taken by a novel - which was very popular at that time - “Slaughterhouse-Five”, of the writer Kurt Vonnegut, who had suffered the atrocities of WWII.

Kurt Vonnegut is one of the most popular writers of the American literature of the late 20th century and 21st century. His career knows more than 50 years of writing and during these years, he took many awards. Even though his novels has very often been target to many attacks by critics, they do agree that he has an important place in the rank of the best American writers since the ‘60s and ‘70s. Since then he has been a public figure, not only concerning his fiction, but also speaking openly about subjects like censorship, environment, globalism, politics, etc. His portrait was very popular, not only to those who read his books, but also to those who listened to his interviews on television, his speeches in universities. Vonnegut enabled his readers to relate to his novels by giving some autobiographical signs and discussing the art of writing with the readers and making them “co-authors”.

He has been labeled a science-fiction writer, a satirist, a black-humorist, a postmodern, but he has always denied labeling. His humor is often compared to that of Mark Twain’s, his style is compared to that of George Orwell’s. However, he has always been unique in his art. Maybe that is the reason that it has always been difficult for critics to classify his fiction.

He uses science-fiction in his prose to find the meaning of the modern man and his/her connections to the new technology and science. This new kind of narration allowed Vonnegut to create technological and scientific systems, apocalyptic situations and a kind of relativity of time and space. We find these elements in “Piano Player”, “Cat’s Cradle”, “Sirens of Titan”, etc. In addition, we find in his novels elements typical of postmodern writers and the best novel to embody them is “Slaughterhouse-Five”. It was considered a masterpiece by his critics, in the way that Vonnegut finds to face the atrocities of the WWII. At every angle, you can see how he “plays” with the characters, with time, with space, with narration, always being accompanied by a flavor of dark humor that provokes laughter and at the same time, tears. That is why some critics called him a black-humorist, which as usual he tried to deny it as a label. But, as with science fiction and postmodernism, he used black humor as a means to face the massacres he had seed and was still seeing, and also as a means to survive the 21st century’s political systems.

But before showing the elements of black humor in Kurt Vonnegut’s fiction, I thinks it would be better to make some clarification on the matter of satire and black humor.
It has been very difficult to make a clear definition of what “black humor" is and the difference to satire, because it has been called “black comedy", “slapstick humor", “gallows humor", etc. While searching for the term in the web pages in the internet, in Encyclopaedia Britannica, it says that “Black humor, also called black comedy, is a writing that juxtaposes morbid and ghastly elements with comical ones that underscore the senselessness or futility of life. Black humor often uses farce and low comedy to make clear that individuals are helpless of fate and character.” (brotannica.com) In Merriam-Webster’s encyclopedia of literature, black humor “is a comic work that employs black humor, which, in its most basic definition, is humor that makes light of otherwise solemn subject matter, or gallows humor. The definition of black humor is problematic, it has been argued that it corresponds to the earlier concept of gallows humor.” (p. 144)

Whereas, Linda Hutcheon in “A Poetics of Postmodernism: History, Theory and Fiction" claims that “postmodern fiction as a whole can be characterized by the ironic quote marks, that much of it can be taken as tongue-in-cheek”. “This irony, along with black humor and the general concept of the ‘play’ are among the most recognizable aspects of postmodernism.” (Hutcheon, 1988) However, this term was not used only during the 60’s, but if we look back, we find it in France, used by Andre Breton (humor noir), in 1935, to designate a sub-genre of comedy and satire, in which laughter arises from cynicism and skepticism. In his book, “Anthology of Black Humor” (Anthologie de l’humor noir), he credits Jonathan Swift as the originator of black humor and gallows humor, and included some examples of many other writers. According to him, this kind of comedy is used to mock the victim, whose suffering is played down. It is a kind of grotesque. “When it comes to black humor, everything designates him as the true initiator. In fact, it is impossible to coordinate the fugitive traces of this kind of humor before him, not even in Heraclitus and the Cynics or in the works of Elizabethan dramatic poets.” (Britannica.com)

But the first American anthology devoted to the conception of black humor as a literary genre is “Black Humor” of Bruce Jay Friedman. In his study, he included different writers and works, arguing that they shared the same literary genre. Among many figures, we can mention Edward Albee, Joseph Heller, Thomas Pynchon, John Barth, Vladimir Nabokov, and Kurt Vonnegut.

Therefore, black humorist wrote novels, plays, poems and songs in which profound or horrific events were portrayed in a comic manner. Some popular themes of the genre were murder, suicide, depression, abuse, war, barbarism, drug abuse, terminal, domestic violence, sex, insanity, crime, etc. We find some of these themes in most of Vonnegut’s novels. He knew how to treat serious subjects in a playful and ironic manner. Critics that are even more contemporary would agree with that. In “The Vonnegut Effect”, Jerome Klinkowitz said that “Comedy’s role in handling reality is a given in Vonnegut’s work” (Klinkowitz, 2004, 67), whereas Todd Davis calls him a “postmodern harlequin”, but at the same time “humanist.” (Davis, 2006)

There are other critics, who before calling him a black humorist, call him a satirist. Thomas Marvin, says that “Seen in this light, Vonnegut becomes part of the older tradition of satire, where new worlds are imagined in order to criticize our own” (Marvin, 2002). On the other hand, in an interview he gave, Vonnegut opposed the term by saying: “I’ve never even bothered to look it up. I wouldn’t know whether I am a satirist or not.” (Bryan, 1969). Maybe the reason why Vonnegut opposed more strongly to the term satirist than that of black humorist is that satirist are not moralist. They just tend to make fun, without focusing in criticizing individuals. Instead, they make fun of famous figures. Vonnegut was not like that. He was, if we can say, an “activist", who used jokes, not only for fun, but to “make a better world”. In “Conversations with Kurt Vonnegut”, he says: “My motives are political. I agree with Stalin and Hitler and Mussolini that a writer should serve his society. I differ with the dictators as how a writer should serve. Mainly, I think they should be agents of change. For the better, we hope.” (Allen, 1988)

However, even though Vonnegut always said that he hated labels, in Wampeters, Foma and Granfalloon he responds to what black humor is for him:

“Certainly, the people Bruce Jay Friedman named as black humorists weren’t really very much like one another. I am not whole lot like J. P. Donleavy, say, but Friedman saw some similarity there and said we were both black humorists. So critics picked up the term because it was handy. All they had to do was say black humorists and they’d be naming twenty writers. It was a form of shorthand. But Freud had already written about gallows humor, which is middle-European humor. It’s people laughing in the middle of political helplessness. Gallows humor had to do with people in the Austro-Hungarian Empire. There were Jews, Serbs, Croats – all these small groups jammed together into a very unlikely sort of empire. And dreadful things happened to them. They were powerless, helpless people and so they made jokes. It was all they could do in the face of frustration. The gallows humor that Freud identifies is what we regard as Jewish humor here: ‘It’s humor about weak, intelligent people in hopeless situations. And I have customarily written about powerless people who felt there wasn’t much they could do about their situations’.” (257)
As we see, he relates his humor to that of Freud’s gallows humor, for as he says he “is in the business of making jokes, it’s a minor art form”. (WFG, 258) According to him, “American men aren’t supposed to cry. So, I don’t cry much – but I do laugh a lot.” (WFG, 258)

Moments of laughs are found a lot in the fiction of Vonnegut, mainly in the novels. The most typical is ‘Mother Night’, which uses a first-person point of view and made up of small chapters that build a series of jokes. The protagonist, Howard Campbell, tells everything. He is an Israeli prisoner awaiting trial for war crimes and writing his confessions, so they may be added to an archive on Nazi war criminals. The book is kind of an autobiography of the protagonist. Two typical Vonnegut joke sequences illustrate how this technique works in this novel. Campbell’s diary of his life with Helga is discovered by a Russian writer called Bodoskov who steals it and publishes it as his own book, calling it “Memoirs of a Monogamous Casanova”. Later, Campbell learns that Bodoskov had become famous by stealing his own memories. Finally, Campbell learns that when Bodoskov was arrested and then executed, he was not accused of plagiarism, but of originality.

In another joke sequence, Resi Noth throws away a noose that the American legion had left in Campbell’s mail box. A garbage man named Szombathy finds it the next morning and hangs himself. Szombathy kills himself because he is not permitted to practice veterinary medicine. Finally, Vonnegut casually reveals that the real reason the garbage man died was because he had a cure for cancer that the world had ignored.

The Nazis in “Mother Night” are comic, rather than frightening and this effect is emphasized by the narration of Campbell, which is detached. At one point, Paul Joseph Goebbels asks Campbell to write a pageant honoring the died was because he had a cure for cancer that the world had ignored. The protagonist, Howard Campbell, tells everything. He is an Israeli prisoner awaiting trial for war crimes and writing his confessions, so they may be added to an archive on Nazi war criminals. The book is kind of an autobiography of the protagonist. Two typical Vonnegut joke sequences illustrate how this technique works in this novel. Campbell’s diary of his life with Helga is discovered by a Russian writer called Bodoskov who steals it and publishes it as his own book, calling it “Memoirs of a Monogamous Casanova”. Later, Campbell learns that Bodoskov had become famous by stealing his own memories. Finally, Campbell learns that when Bodoskov was arrested and then executed, he was not accused of plagiarism, but of originality.

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The Nazis in “Mother Night” are comic, rather than frightening and this effect is emphasized by the narration of Campbell, which is detached. At one point, Paul Joseph Goebbels asks Campbell to write a pageant honoring the German soldiers who died during the Warsaw uprising by Jews. When Campbell responds by translating Abraham Lincoln’s Gettysburg Address into German, Goebbels is so impressed that he gives it to Hitler to read. But he is very doubtful that Lincoln might have been a Jew. Hitler responds by writing “Some parts of this nearly made me weep. All northern peoples are one in their deep feelings for soldiers. It is perhaps our greatest bond” (16). So, this “great bond” that Hitler sees in the northern peoples is maybe the reason of all that bloodshed. All these jokes can not be understood by the protagonist very well. But Vonnegut helps him with the aesthetic distance that he uses, which at the same time makes it easier to understand them. This kind of technique is also used in what was considered his masterpiece, “Slaughterhouse-Five”.

Vonnegut made a lot of effort to write Slaughterhouse-Five. He had been a soldier and was kept as prisoner in a slaughterhouse by Germans in the city of Dresden. But then the allied forces bombed it and the whole city was destroyed. The experience of WWII left wounds in Vonnegut and his friends and he had to write about it. But he strived a lot to find the best way to do it. So, he chose to use the aesthetic distance and at the same time, a flavor of humor that does not necessarily make you laugh. It is a story of Billy Pilgrim, who moves in time and in space. One moment he is at home, then he is in the planet Tralfamador, then he is at the war. This time humor is not only a means to face the atrocities, but also to establish some kind of norms, in relation to the bombing of Dresden and the German massacre of Jews. One of the typical examples is when the protagonist, Billy, asks the Tralfamadorian how he got there and they say, “It would take another Earthling to explain it to you. Earthlings are the great explainers, explaining how this event is structured as it is, telling how other events may be achieved or avoided. I am a Tralfamadorian, seeing all time as you might see a stretch of the Rocky Mountains. All time is all time. It does not change. It does not lend itself to warnings or explanations. It simply is” (85-86). So, Vonnegut mocks with the Germans, by comparing them to the Tralfamadorians. One of the most typical example of this joke is made when Billy asks the Tralfamadorian “Why me” and they answer “That is a very Earthling question to ask, Mr. Pilgrim. Why you? Why us for that matter?” (76 – 77). But then, the narrator moves from that moment and that space and goes into the slaughterhouse, when Billy asks the same question to the German soldier and he answers “Vy you? Vy anybody?” (91). But Vonnegut ironies more Billy, when he writes, “Billy had seed the greatest massacre in European history, which was the fire-bombing of Dresden... So they were trying to re-invent themselves and their universe”. (101) With this example, Vonnegut recalls an event that happened during the war with one of the soldiers. After the bombing of Dresden, he was arrested and then executed, for the only reason that he had stolen a teapot. Then, Vonnegut offers us the solution. “…to come up with a lot of wonderful new lies, or people aren’t going to want to go on living”(101).

“Harmless untruths” are in fact the solution that he gives to us even in the novel “Cat’s Cradle”. In this novel, he gives us an image of the end of the world. The story is narrated by John, who invites us to call him Jonah. In searching the children of the atomic bomb inventor, he arrives at the island of San Lorenzo. There he discovers a new religion, which is called Bokononism. This new religion is in fact like any other, with its own prophets, with the books of Bokonon, which says the origin and “its commandments”. He discovers that the scientist Felix Hoenikker had invented a chemical elements, “ice-nine”, which when in contact with water turns it into ice. In fact, at the end, Vonnegut presents us with an image of apocalyptic end of the world, where the leader of San Lorenzo dies, but had swallowed ice-nine before, turns
everything, in a chain reaction, into ice. Therefore, water becomes ice and people become statues. With this parable, Vonnegut wants us to give us an image of the end of the world if we are not careful to what science does, and if scientists are not responsible for the effects of their inventions. But, the whole story mingles some kinds of humoristic elements. The first thing Vonnegut satirizes and at the same time criticizes is religion. He is not rebelling against religion, but what he tries to say is that people have lost their faith in these religions, so they need to find new ones. That is why, he creates this new religion, which is in fact a mockery to religion itself. He says that “People don’t come to church for preachments, of course, but to daydream about God.” (Palm Sunday, 330).

Another example where Vonnegut uses humor, as a kind of balance to moral theme, is the description that he makes to the three children of the scientist. The old one, Frank, is an immature man, trying to resemble his father. The old one, Newt is a midget. He is an artist. He is obsessed with the memory of his father thrusting a cat’s cradle in his face when he was six years old. Whereas their sister is a married woman, who does not really care, because since a little child she took the role of a mother for her brothers and her father at the same time, after the death of her mother. The absurd here lies in the fact that at the end, this father who always cared about science, decides to give them a part of “ice-nine”, and the end of the world comes indirectly because of him. Klinkowitz considers the novel’s action as “propelled by comedy. Just about everything Hoenikker family does is hilariously self-defeating”. (The Vonnegut Effect 65).

Conclusions: Vonnegut, one of the most well-known writers of the 20th century, a public figure and a talented postmodern writer, has always known how to make use of all the techniques of the time, in order to make the world know of the atrocities of WWII, of the new religions, of the new science and technology, of global warming, of new politics, etc. His novels are not only grand narratives of the time, but also means where he mastered his humor. Humor itself served this author as a technical breakthrough. Throughout his art, he has mixed the moral thoughts with the most interesting forms of slapstick comedy. Absurdity, jokes, comedy, mockery served him to make what he makes best, black humor. Nothing more than his novels, like “Slaughterhouse-Five”, “Cat’s Cradle”, “Mother Night”, etc, can demonstrate what black humor is. His device becomes innovative, because he gives to this element his unique kind of humor. Very often compared to that Mark Twain, he always knew how to make it his own. However, humor is not only a device of the narration, but it becomes an important element even in structure. We can mention, for example, the way he chooses to name the chapters, or the play he does with the symbolic titles. Their novels are galleries of different characters, different devices and elements, that humor makes them together to give the best image of Vonnegut’s view of the world.

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Legal Status of a Minor in Giving Consent to Treatment from the Perspective of the Malaysian Child Act 2001

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Abstract

Patient’s autonomy to make his own decision is an ethical principle that has been interpreted into the legal concept of consent. Consent to medical treatment is a very fundamental aspect in medical law as it can be regarded as an acknowledgment that a patient has the right to make his own decision on what he wants to be done to his body. In the area of consent, capacity of the patient to make decision plays an important role. Capacity from the context of a patient’s age is one of the factors that needs to be considered in deciding whether that particular patient has capacity to give consent or not. In this paper the focus will be on whether children governed by the Malaysian Child Act 2001 have the right to give consent to their medical treatment. In discussing this issue, the writers will look into the general legal position of children to give consent in Malaysia before going into the specific legal provisions pertaining to consent to medical treatment for children governed by the jurisdiction of the Child Act 2001. This is in order to give legal clarity to the issue of consent involving patients who are still children, primarily those taken under the protective wings of the Child Act 2001. For the purpose of this paper, the writers adopted the pure legalistic approach involving statute interpretation, reference to decided cases and comparative study to other relevant jurisdiction.

Keywords: capacity, child, consent, medical treatment.

1. Introduction

This paper aims to determine whether section 24 of the Child Act 2000 allows a child taken under the Act’s jurisdiction to give his/her own consent to medical treatment. In order to do so, the writers will first refer to the existing Malaysian laws that are relevant to this issue to identify whether generally, a child patient in Malaysia can give a legally valid consent to his medical treatment. This issue needs to be addressed in order to give clarity and certainty to the law that can be used as a basis in medical and legal practice. At the end of this paper it will henceforth be determined whether there is a need to reform the laws pertaining to consent by a child patient in Malaysia.

2. Definition of Child

Most countries in this world have differing systems pertaining to adult and child patients. This is evident from the law applicable in each country. The International Convention on the Right of a Child defines “child” as:

Every human being below the age of eighteen years unless, under the law applicable to the child, majority is attained earlier.”

In Malaysia, section 2 of the Child Act 2001 defines “child” as:

(a) A person who is under the age of 18 years and

(b) In relation to a criminal proceedings means, a person who has attained the age of criminal responsibility, as prescribed in section 82 of the Penal Code (Act 574)
Section 2(1) The Guardianship of Infant Act 1961 defines “child” or “infant” as a person who has not attained his majority. Subsection 2(a)(i) further explains that for the purpose of this act, every person professing the religion of Islam shall be deemed to have attained his majority when he shall have completed his age of eighteen years and not before; and (ii) every other person shall be deemed to have attained his majority when he shall have completed his age of twenty one years and not before.

However, the categorization of age in the above Act is meant specifically for the implementation of the Act. Therefore for our present purpose, the term “child” in this paper refers to those who are under the age of 18 as defined in the Child Act 2001.

The term “child” is also synonym with the term “minor”. Black's Law Dictionary (Gardner, 1999) defines “minor” as “someone who has not reached full legal age”. Full legal age as has been mentioned before depends on the law of each particular country. There are countries which provide that 18 is the full legal age. On the other hand, country such as Singapore retains 21 years of age as the full legal age. Full legal age is crucial in determining whether a person has the legal capacity to manage his own affairs, for instance, in owning his own property, enter into business transactions or to get married without parental consent. (Dickens & Cook, 2007)

This paper however, focuses on the legal capacity of a child patient to give his own consent to his medical treatment just like an adult patient who has full legal capacity and therefore entitled to make and give his own consent. The term child patient refers to a patient who has yet to attain full legal age in Malaysia, that is 18 years old.

Most issues relating to consent to medical treatment seldom arise in cases involving children who are too young as for this category of patients, their parents will play an important role in deciding whether to give consent or not to medical treatment (McHale, 2001). Therefore this paper will confine itself to cases involving patients on the verge of maturity.

It must be borne in mind that Malaysian is a Commonwealth country. Its legal system practices the common law system whereby legal principles from decided English cases are applicable to Malaysian cases only if there is a lacuna in the law and if it is not inconsistent with the local circumstances. (section 3 Civil Law Act 1956). Since there’s no specific legal provision that gives a child patient the right to give his/her own consent to medical treatment, recourse can be made to cases decided by the English Court if issues of consent by a child below 18 years is being contested for being invalid in the Malaysian courts.

3. Consent To Medical Treatment By Children: The Position Under the English Law

Under the English Family Law Reform Act 1969, rights are given to children who are 16 to 17 years old to give their own consent to medical treatment. By virtue of section 8(1) of the said Act, children who have reached 16 years of age have the legal capacity to give their consent without having to rely on the consent of their parents. Therefore, any contacts made during the giving of medical treatment will not expose the doctors to liabilities under the law of trespass. The consent given by the young patients are valid as if it was given by persons who are 18 years old and are considered as adults. Section 8 (1) Family Law Reform Act 1969 provides:

“The consent of a minor who has attained the age of sixteen years to any surgical, medical or dental treatment which, in the absent of consent, would constitute a trespass to his person, shall be as effective as it would be if he were of full age; and where a minor has by virtue of this section given an effective consent to any treatment it shall not be necessary to obtain any consent for it from his parent or guardian”

Nevertheless, this does not mean that consent by their parents will not be needed in all circumstances. In situations where children who are 16 to 17 years of age are found to be incompetent due to mental illness, the parents can give the needed consent to treatment on their behalf until the children reached the age of 18 years old (Brazier, 1992). Hence it can be seen that in England, consent by patients from 16 to 17 years of age are settled by virtue of section 8(1) Family Law Reform Act 1969.

However the issue remained at that time whether children below 16 years old have the legal capacity to give a valid consent to medical treatment. Doctors have always regarded 16 years as an age where patients are matured enough to give their own consent without having to rely on parental consent each and every time they need to receive medical treatment. Therefore, at the same time doctors tend to have the assumption that they are free to treat patients under 16 years old without getting parental consent beforehand if the patients are seen to be intelligent and matured enough to make their own decision.
History showed that under the English common law, no specific age had been ascertained as an age where a child has the capacity to give consent (age of consent). It will depend on the factor of whether the child has the capacity to understand what is involved in the proposed procedure. Therefore, the assumption was that the law will accept the consent given by children who have the sufficient maturity to understand the proposed medical procedure or surgery (Skegg, 1973).

Based on the above assumption, it had been argued that section 8(3) of the Family Law Reform Act 1969 preserves the status quo for patients under the age of 16 years (1985) 3 All ER 402. The section provides:

“Nothing in this section shall be construed as making ineffective any consent which would have been effective if this section had not been enacted.”

The assumption by doctors that they are free to treat patients under 16 years old without parental consent and that sub-section 3 of section 8 of the Family Law Act Reform 1969 became the main issues dealt with in the landmark case Gillick v West Norfolk and Wisbech Area Health Authority & Anor. (1985) 3 All ER 402. This case finally dealt with the question of whether patients below 16 years old have the legal capacity to give a valid consent to medical treatment.

The House of Lords in this case decided that if a patient who is under the age of 16 years of age has shown that he or she has sufficient maturity to make his or her own decision, then that child can give a legally valid consent to any proposed medical procedure. Thus, he or she is said to be Gillick competent. Lord Scarman stated that:

“…I would hold as a matter of law that parental right to determine whether or not their minor child below the age of 16 will have medical treatment terminates if and when the child achieves a sufficient understanding and intelligence to enable him or her to understand fully what is proposed.” (1985) 3 All ER 423. His Lordship further stated: “…the parental right yields to the child’s right to make his own decisions when he reaches a sufficient understanding and intelligence to be capable of making up his own mind on the matter requiring decision” (1985) 3 All ER 422.

It had been held that the Gillick principle is not restricted to contraceptive cases only but it is also applicable to all cases relating to consent to medical treatment by children.

However this principle only applies to those below the age of 16. This is because as has been discussed earlier, for patients who are 16 to 18 years of age section 8(1) of the English Family Reform Act 1969 is applicable.

There has not been a single decided case in Malaysia that deals with this issue. The common understand is that consent to medical treatment involving children below 18 years old must be given by the affected parents or guardian. (Puteri Nemie Jahn Kassim, 2007).

4. The Existing Malaysian Laws

In discussing the issue of the age of consent to medical treatment in Malaysia, reference will be made to several existing statutes namely, the Age of Majority Act 1971 the Child Act 2001, the Law Reform (Marriage and Divorce)Act 1976, and the Child Witness Act 2007.

4.1 Age of Majority Act 1971

In Malaysia, a person is said to be a child if he has not attained the age of majority as provided in Section 1 of the Age of Majority Act 1971. Section 2 of the same act provides:

“Subject to section 4, the minority of all males and females shall cease and determine within Malaysia at the age of eighteen years and every such male and female attaining that age shall be of the age majority.”

Section 4 of the 1971 Act further provides:

“nothing in the Act shall affect:
(a) The capacity of any person to act in the following matters, namely marriage, divorce, dower and adoption;
(b) The religion and religious rites and usage of any class of persons within Malaysia;
(c) Any provision in any other written law contained fixing the age of majority for the purposes of that written law.”

The exceptions in section 4 clearly do not refer to the capacity of children who have not yet attained the age of majority to give their own consent to medical treatment. Section 4(a) only refers to matters pertaining to marriage,
divorce, dower and adoption. As there is no specific law giving rights to children to give consent to treatment, exception 3 is also irrelevant. Section 4(b) is obviously immaterial to this issue.

Based on this Age of Majority Act 1971 children below the age of 18 years are deemed to be incapable to give consent to medical treatment. The power to give consent lies on their parents as their legal guardian.

4.2 The Child Act 2001

As has been mentioned earlier, section 2 defines “child” as a person who is under the age of 18 years. This is in parallel with the Age of Majority Act 1971. According to Section 17 of the Child Act 2001 a child is considered to be in need of care and protection if he falls under any of the circumstances as stated by the provisions of the section. For example, a child will be deemed to be in need of care and protection if the child needs to be examined, investigated or treated for the purpose of restoring or preserving his health and his parent or guardian neglects or refuses to have him so examined, investigated or treated (Section 17 (f)(i)(ii) Child Act 2001).

Section 21 of this act further provides “a medical officer before whom a child is presented under:
(a) Shall conduct or cause to be conducted an examination of the child;
(b) May, in examining the child and if so authorized by a Protector or police officer, administer or cause to be administered such procedures and tests as may be necessary to diagnose the child’s condition; and
(c) May provide or cause to be provided such treatment as he considers necessary as a result of the diagnosis.

A protector is defined under section 2 as (a) the Director General, (b) the Deputy Director General, (c) a Divisional Director of Social Welfare, Department of Social Welfare; (d) the State Director of Social Welfare of each of the States, (e) any Social Welfare Officer appointed under section 8.

If, in the opinion of a medical officer, the child referred to in section 21 requires treatment for a minor illness, injury or condition, a Protector or police officer may authorize such treatment. (Section 24(1)). Subsection 2 of the said section further states that if the child is suffering from a serious illness, injury or condition or requires surgery or psychiatric treatment, a Protector or police officer shall then notify or take reasonable steps to notify and consult the parent or guardian of the said child or any person having authority to consent to such treatment. In this circumstances, the Protector or police officer may also, with the written consent of the parent or guardian or such person, authorize such medical or surgical or psychiatric treatment as may be considered necessary by the medical officer (Section 24(2)).

Section 24 is a provision relating to authorization of medical treatment for a minor as defined in section 21. By virtue of section 24, in any treatment for illness, injury or condition the authorization must first be obtained from a Protector or police officer.

It is important to note that this section gives a wide discretionary power to the Protector in making decision and henceforth authorising treatment to the child protected under this Act. This can be seen from subsection 3 of section 24 of the same Act where it provides that if a medical officer has certified in writing that there is immediate risk to the health of a child, a Protector may authorize, without obtaining consent referred to in subsection (2) above, such medical or surgical or psychiatric treatment as may be considered necessary by the medical officer (Section 24(3)).

Section 24(3) provides for the following circumstances:

a) that the parent or guardian of the child or any person having authority to consent to such treatment has unreasonably refused to give, or abstained from giving, consent to such treatment;

b) that the parent or guardian or the person referred to in paragraph (a) is not available or cannot be found within a reasonable time; or

c) the Protector believes on reasonable grounds that the parent or guardian or the person referred to in paragraph (a) has ill-treated, neglected, abandoned or exposed, or sexually abused, the child (Section 24(3)(a)-(c)).

The Act unfortunately, neglected to define what is meant by “immediate risk to the health of a child”. It also failed to define the phrase “unreasonably refused to give consent” (Section 24(3)(a)) and “within reasonable time” (section 24(3)(b)) as found in section 24(3) of the Act. Who will decide that the refusal of the parents or guardian to give consent is unreasonable? Also, what time frame is used to measure “reasonable time”? What is evident in this section is that the Protector has wide discretionary powers in the identified circumstances to give consent to any medical treatment, surgery or psychiatric treatment proposed by the medical officer to be given to the child who has been put under protection. It can be also concluded that those powers can override the rights of the parents to give or to refuse to give consent.

Sections 21 and 24 clearly do not arm the children put under the ambit of the Child Act 2001 with the rights to have a say in matters pertaining to their medical treatment. (Noor Aziah Awal, 2002). Any decision to be made is put under the jurisdiction of the Protector or the police officer involved. There is no indication in the stated provisions that the views and...
opinions of the children will be taken into consideration or given priority. The Child Act 2001 can be said to be a paternalistic act in matters concerning medical treatment of the children put under its wings. This can be said to have stemmed from the fact that the main aim of the Child Act 2001 is to protect and promote the welfare and interest of the children.

4.3 Section 10 Law Reform (Marriage and Divorce) Act 1976.

Section 10 of the Law Reform (Marriage and Divorce) Act 1976 provides:

Any marriage purported to be solemnized in Malaysia shall be void if at the date of the marriage either party is under the age of eighteen years, unless, for a female who has completed her sixteenth year, the solemnization of such marriage was authorized by a licence granted by the Chief Minister under subsection 21(2).

Section 21(2) states:

The Chief Minister may in his discretion grant a licence under this section authorizing the solemnization of a marriage although the female party to the marriage is under the age of eighteen years, but not in any case before her completion of sixteen years.

Therefore it is clear that the law permits a female person who is only 16 years of age and have not attained the age of majority to enter into a marriage contract which will bring with it a huge impact on her life. Even though licence given under section 21(2) is a condition, but that section does not state that a person has to prove that she is old and mature enough to take the final step.

Historically, section 10 was enacted as a result of a report made by the Royal Commission in virtue of the term of reference given to it by the Government of Malaysia. The Royal Commission was asked to determine whether there is a need for a law reform, by taking into consideration the resolution made by the United Nations relating to the minimum age for marriage (Official Report of the Malaysian Parliament, 1976). The three factors that had been taken into consideration in accordance to the Convention were:

1) Agreement to marry
2) Minimum age for marriage
3) Marriage registration

As a result of the term of reference, the Commission in its report recommended that the minimum age for marriage in Malaysia is to be 16 years old. The recommendation was eventually enacted as law in the Law Reform. (Marriage and Divorce) Act 1976 as mentioned above. Thus it can be concluded that in this instance, the law regards a female person of 16 years as competent to enter into a marriage contract.

4.4 Evidence of Child Witness Act 2007

Section 13 of the Evidence of Child Witness Act 2007 provides:

When a child witness is giving evidence before the Court and in the course of giving evidence he attains the age of sixteen years, the Court shall continue to hear the evidence of that child witness and exercise all the powers under the Act.

The above provision can be deemed to mean that as a basis, a witness who is of sixteen years and above, can give evidence as an adult. This basis is further explained by section 2 of the same Act which interpreted a child witness as someone is is below sixteen years old. Section 2 of the Child Witness Act 2007 states: child witness means a person under the age of sixteen years who is called or proposed to be called to give evidence in any proceedings but does not include an accused or a child charged with any offence.

It can therefore be argued that the implication from both sections is that, for the purpose of giving admissible evidence in court, there are laws in Malaysia that have already acknowledged that a child who has attained 16 years of age has the necessary intellectual capacity as if he is already 18 years old and above.
5. The Malaysian Scenario: Points to Ponder.

The main issue that needs to be addressed is whether a child patient who is found to be competent and has the capacity to make his or her own decision should be given the rights to give his or her own consent to medical treatment. This is because as has been stated above, consent to medical treatment is not included in the exceptions under section 4 of the Age of Majority Act 1971.

Hence, should the issue of consent by a child patient be eventually brought to court, the writers opined that there are several points that must be considered by the courts and they are:

a. The court might want to consider applying the Gillick principle if the court is of the opinion that that principle is applicable in Malaysia notwithstanding the existence of section 4 of Age of Majority Act 1971 and section 2 of the Child Act 2001. However if the court chooses to give a strict interpretation to those two provisions, and decided that the provisions do not allow any exceptions be made regarding consent to treatment by children who have not attained the age of majority, then the common law principle as enunciated in the Gillick case can never be applied in Malaysia.

b. Alternatively, should the Malaysian court decided to follow the Gillick principle by not interpreting section 4 of the Age of Majority Act 1971 and section 2 of the Child Act 2001 strictly, then the next question to be asked is whether the Gillick principle will be applicable to all children below 18 years old or it can only be applied to those below 16 years old. This is because taking into account that the Gillick principle was aimed at children below the age of 16 years as in England there is already in existence section 8(1) of Family Law Reform Act 1969 that caters to patients between 16 to 17 years of age. As English statutes cannot be applied in Malaysia, this will render patients between the age bracket of 16 years old but have not reached 18, be left without any specific legal provision that allows them to give their own consent to treatment.

c. Another point that needs to be looked into is that should the courts in Malaysia chose to apply the Gillick principle to cases involving the issue of consent to medical treatment by children, the court must also take into account that as a common law principle cannot be applied where there is already in existence a specific legal provision pertaining to the matter, it is therefore clear that the Gillick principle relating to consent by a minor, is not applicable for those patients governed by Section 24 of the Child Act 2001. Therefore, if it was decided by the Malaysian courts that children below 16 years old can give consent to treatment, this will undoubtedly cause a discrepancy between the rights given to children not governed by the Child Act 2001 and those who are so governed in respect of consent to medical treatment.

6. Conclusion

From the discussion in this paper, it is clear that there is a legal uncertainty and ambiguity regarding the age of consent to medical treatment. Therefore, it is humbly suggested that there be promulgated a specific statute to give rights to patients who are not yet 18 to give their own consent to medical treatment. A specific age bracket must be determined in which a child patient is allowed to give his/her own consent to treatment. Children of that specified age bracket must be presumed competent unless found to be the opposite by a psychiatric. Further, this right must of course come with a proviso. For example consent can only be given by a child patient if it does not involve a life or death situation or an irreversible procedure such as organ transplantation. In such situation parental consent should and will be, resorted to.

References

Generational Effects of Handicraft Fair Trade Production: A Bangladesh Case Study

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Abstract

Fair trade movements aim to respond to economic and social inequality and to support poor farmers and artisans in developing countries through trade. Many scholars are investigating to what extent and how the production of fair trade products affects those who are making them. Some studies have indicated benefits to producers in certain areas such as income, access to market, and business and other skill development. Others suggest concerns about negative effects of fair trade such as increased dependency of producers on particular fair trade endeavors, limited ability to address gender inequality, and increased financial burden on producers. However, little attention has been paid to generational effects on fair trade producers. To explore one of such effects, this paper investigates children’s educational achievements in relation to their parents (who make handicrafts). Survey responses and interviews with handicraft producers and their children were collected from seven fair trade enterprises in Bangladesh in summer of 2012. The results indicate that producers value children’s education highly, and many children, both male and female, gain more education than producers themselves. In the majority of cases, children finished the highest grade in their households. Children’s interviews suggest that mothers’ work often inspires them to continue their education, while they also recognize their limited economic situations.

1. Introduction

Fair trade and fair trade movements aim to improve the lives of economically and socially disadvantaged or marginalized groups of people around the world through trade (Brown, 1993; Nicholls & Opal, 2005). The fair trade market is expanding and sales of fair trade items are on the rise (Krier, 2001; Smith, 2009). Stores in many countries, including Japan, the U.S., and Italy, sell numerous fair trade products, such as coffee and clothes. As the term fair trade becomes increasingly prevalent, scholars and fair trade supporters are investigating what changes fair trade has brought to diverse communities of producers.

Handicrafts were one of the first fair trade products. Soon after World War II, some of the leading fair trade organizations, which later became Ten Thousand Villages and Oxfam, started to sell handicrafts made by poor and disadvantaged people to support their livelihoods (Low & Davenport, 2005). While agricultural products, such as coffee and bananas, are widely known fair trade products nowadays, handicrafts comprise approximately one-fourth of fair trade sales (Randall, 2005). Within the general discussion about the effects of fair trade movements on producers, scholars are debating the effects of fair trade handicrafts production on local artisans and producers.

Scholars have been exploring the effects of fair trade movements from a variety of angles. Studies that focus on fair trade producers, which are most relevant to this article, suggest the results of fair trade production are mixed. Fair trade can bring beneficial effects in some cases, including increased income, access to market, and business and other skill-development opportunities (Jones et al., 2012; Le Mare, 2012; Nelson & Pound, 2009). On the other hand, some studies point out the potentially unfavorable effects that fair trade endeavors can have. Concerns include the increased dependency of producers on particular fair trade endeavors (LeClair, 2002), fair trade’s limited ability to address gender inequality or to increase democratic participation in decision-making processes (Boersma, 2009; Hutchens, 2010), and the increased financial burden placed on producers (Lyon, 2007).

Because each study is based on a different group or community, geographic, cultural and sociological contexts need to be carefully considered. However, in general, as the first group of studies suggest, there are some benefits through fair trade at least in the short term. In contrast, the concerns suggested by the latter group tend to center on relatively long-term changes or the lack of such changes that fair trade production may bring to producers’ communities. In order to explore one of the changes that fair trade production can bring to the producers’ communities long term, this article examines children’s educational achievement. While educational level alone does not necessarily show changes in the life prospects of children or in producers’ livelihoods, it can indicate a facet of the long-term changes that fair trade production can bring to the producers’ community.

This article analyzes educational achievement among children of the producers. Results from the survey and
interviews with the producers and their children suggest that in the majority of producers’ households at least one of their children achieved the highest grade-level in their households. The interview comments and survey indicate that producers value children’s education highly, and many children, both male and female, gain more education than producers themselves. Children’s interviews suggest that mothers work often inspires them to continue their education, while they also recognize their families’ challenging economic situations.

2. Research Context

This study is based on seven fair trade production enterprises that are affiliated with Prokritee, a fair trade handicraft organization, and have close relationships with the Mennonite Central Committee (MCC). Since 1973, MCC has been working for Bangladesh, to support its development. One area where MCC has been working is job creation, particularly in rural areas where no major industries exist for the residents. At first, MCC staff members and volunteers worked to create handicrafts that were made out of local materials, such as jute, so that local residents could raise their incomes. As handicraft businesses grew, MCC gradually passed the business leadership to Bangladeshi workers, forming individual enterprises. In 2001, Prokritee was created to manage these local Bangladeshi enterprises. There are currently nine enterprises, which receive a variety of services from Prokritee, including product design and marketing support. Each enterprise, however, is financially independent. Enterprises in this study have received services and advice from MCC workers, especially at the beginning. Currently, the handicrafts made by the enterprises are sold via Prokritee to many fair trade organizations abroad, including Ten Thousand Villages (USA and Canada), People Tree (Japan), Ctm altromercato (Italy), and Trade Aid (New Zealand). Seven enterprises were chosen from among the nine affiliated with Prokritee because their geographical locations were relatively easy for me and my research assistants to visit and conduct interviews. Five of them are in the Agailjhara area in Barisal, one is in the Charipur area in Feni, and another is in the Muktagacha area in Mymensingh. All of them are in rural areas with few, if any, other industries.

Following Prokritee’s mission and operational principles, these enterprises employ local women in poverty, who have little to no income or land and who act as heads of their households (such as widows, separated, and divorced women). On average, these enterprises employ 57 full-time producers. Each enterprise makes different products, including handmade papers, greeting cards and notebooks (made from jute, silk, and recycled papers) and ropes, dolls, and ornaments (made from jute and hemp). A survey and semi-structured interviews were conducted among 94 of the workers at these enterprises during May and June 2012. At each enterprise, 10-15 producers took part in the survey. These research participants were from many production sections, so the data include diverse opinions and views. When possible, my research assistants and I visited a few producers’ houses. All of the houses were simply furnished with a dirt floor. According to accounts from assistant managers at the enterprises and the producers themselves, many improvements have been made to the residences since the producers gained employment. In addition to producers, we interviewed 24 children of these producers, who were available to come to the enterprises or were at our home visits.

3. Producers

According to our survey, the average length of employment at these enterprises is 12.6 years. Producers’ ages range from 16 to 55 (average 36.9 years old). The level of education of the producers varies. 29.7% (28 producers) had no formal education. 47.9% (45 producers) received some level of primary education (until 5th grade). Only 3.1% (3 producers) had education above the 10th grade level. Producers generally live with their children and husband or other relatives. On average, the household size is 4.67 people.

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>28</td>
<td>29.7</td>
</tr>
<tr>
<td>Primary (Grade 1 to 5)</td>
<td>45</td>
<td>47.9</td>
</tr>
<tr>
<td>Junior (Grade 6 to 8)</td>
<td>13</td>
<td>13.8</td>
</tr>
<tr>
<td>Secondary (Grade 9 and 10)</td>
<td>4</td>
<td>4.2</td>
</tr>
<tr>
<td>Higher Secondary (Grade 11 and 12)</td>
<td>2</td>
<td>2.1</td>
</tr>
<tr>
<td>College and University</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>No Answer</td>
<td>1</td>
<td>1.0</td>
</tr>
</tbody>
</table>
| Total                      | 94 | 100 **

* Educational level is based on the Bangladesh educational system.
** The numbers in this column do not add up to 100 because of rounding.
According to the enterprises, the average wage that producers earn is 3000 taka (approximately 40 US dollars) per month. In addition to this monthly wage, the producers receive two holiday bonuses, a dividend based on the sales of the enterprises, and 100 taka per month for medical assistance. Each enterprise sets aside some money for a community development fund and a skill development fund. Producers also occasionally receive some extra benefits, such as gifts like fruit trees or eye glasses and workshops on selected topics, such as hygiene and gardening. Producers are encouraged to save money but most of them only save the minimum amount that the enterprises asked them to save, 25 to 100 taka per month.

Producers' stories demonstrate their difficult economic situations before their employment at the enterprises. Some lost their husbands by illnesses; some were separated from or divorced by their husbands and had to look after their children alone. In such cases, in-laws were less willing to support them. Some of them returned to their natal homes but found that their aging parents were no longer able to support them. For example, Sadia lost her husband when their son was only six months old. She was devastated and felt helpless. A good neighbor who knew of the enterprise mentioned a job opportunity at the enterprise to her. She took an interview and eventually got a job. She said that prior to her employment all her attention was paid to basic survival, but now she is hopeful for her and her son’s lives. Her concerns shifted from daily survival to future hopes. She said, “In my early age, I was deprived of happiness because of my husband’s death. Now if I get happiness from my son and his success, it will be my pride.”

Producers see that work at the enterprises provides them something beyond wages for survival. For example, Shanjida, another producer, said, “Before joining here, I did not know any work, but after joining here I learned many new things, such as making various creative handicrafts by rope, which I like the most. With the wage I earn, I can support my children’s education fees, and I like working with the other women.” In rural Bangladesh, most women stay at home and take care of household chores. Going outside the home, being able to spend time with other women, and acquiring craft skills are new opportunities for producers.

Indeed, working with other women is noted frequently as the aspect that producers like most about their jobs after the wages. At work, producers have plentiful opportunities to talk, exchange opinions, and give and receive advice. When we visited their enterprises, we felt the presence of such on-going conversations. Producers’ talk covered many topics, including family relations, food/cooking, and current local affairs. Their children were another main topic.

4. Children’s Education: Producers’ View

Producers stress that once they have income for their daily survival, they make it a high priority to pay for their children’s education. Both Sadia and Shanjida mentioned that with their jobs, not only do they have money to feed their families, but they are able to pay education fees for their children. As indicated in earlier comments, for Sadia, her sons’ success is her most significant future hope. Elaborating on her comments, she said that she makes sure that she can support her son in getting good education. Similarly, Shanjida also pointed out to the interviewer that she is now able to support her children’s education.

The producers’ emphasis on education comes from the fact that educational level greatly affects a person’s career opportunities in Bangladesh. The producers have experienced this effect first hand. Employment as a producer does not require a certain educational background or degree. However, without a bachelor’s or a master’s degree, producers cannot be promoted to supervising positions, even if they have long years of excellent work experiences. Most producers lack these educational qualifications required for supervising positions. In fact, none of the women surveyed had received permanent promotion. There are, however, opportunities for producers to be recognized for their diligent and excellent work. By vote among producers, they can be elected as producer representatives and attend producer management meetings. This is a highly respected position by producers and enterprises. Nevertheless, without having a certain level of education, formal promotion is limited. Such an educational requirement is common in Bangladesh. The producers are well aware of this requirement and hope that their children will have opportunities to pursue higher levels of education and better subsequent careers.

5. Children’s Education: Survey Results

The survey examined the educational level of producers’ children. 71 out of a total 88 producers who have children (80.7 %) answered that one of their children is the person who has finished the highest grade in their households. If we exclude cases in which the children are too young to have surpassed their parents’ grade levels, 93.4 % (71 out of 76) of producers said that their children have gone to the highest grade in their households.
The sex of the children does not seem to affect this answer. In 36 cases, sons completed the highest grade in the household, while in 33 cases daughters have finished the highest grade. In 2 cases, both daughters and sons went onto the highest level of education. In more than half of the cases (56 out of 88, 63.6 %), the producers’ children went onto not only the highest grade in the household, but to the highest level of educational institutions. For example, this includes a case where other household members never go on to junior schools (grade 6 to 8), while one of the producer’s children did.

Table 2. Children’s Educational Levels in the Producers’ Household

<table>
<thead>
<tr>
<th>Producers’ Responses</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Children of their own</td>
<td>6</td>
</tr>
<tr>
<td>Children went to the highest grade in the household</td>
<td>71</td>
</tr>
<tr>
<td>Other household members went to the highest grade in the household (Among them, cases where children were too young to go onto the highest grade in the households)</td>
<td>17 (12)</td>
</tr>
<tr>
<td>Total</td>
<td>94</td>
</tr>
</tbody>
</table>

Table 3. Numbers of Cases in which Children Completed the Highest Educational Grade/Class by Sex

<table>
<thead>
<tr>
<th>Sex of Children</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>36</td>
</tr>
<tr>
<td>Female</td>
<td>33</td>
</tr>
<tr>
<td>Both Male and Female</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>71</td>
</tr>
</tbody>
</table>

Further examination indicates that producers whose children have achieved the highest level of education in the household share some characteristics. Those producers tend to have more children (average 2.48 children) than others (1.32 children). They also tends to be a little older (average 38.1 years old) than others (31.1 years old). Having more children may increase the likelihood that one of the children attains the highest level of education in the producer's household.

Another characteristic is that the producers whose children completed the highest grade in the household tend to have been employed at the enterprises for longer than other producers. On average, the first group of producers has worked for 13.2 years at the enterprise. In contrast, the latter group has worked 11.0 years on average. The difference is even greater when we compare producers whose children went on to higher level of educational institutions (average 13.3 years of employment) and other producers (8.68 years). This relationship between length of employment and children’s educational achievement is interesting and suggests an area where further studies can be done. From this survey, it is not possible to tell whether and how length of employment at the enterprises affects the children’s level of education. However, a further study could clarify whether the steady jobs and income at the fair trade enterprises contribute to encouraging producers’ children to continue their education.

Table 3. Comparison between Producers whose Children Completed the Highest Grade in the Household and Other Producers

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Producers whose Children completed highest educational grade in the household</th>
<th>Other Producers (who have children who did not completed the highest grade in the household)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Number of Children (years)</td>
<td>2.48</td>
<td>1.32</td>
</tr>
<tr>
<td>Average Age (years)</td>
<td>38.1</td>
<td>31.1</td>
</tr>
<tr>
<td>Length of Employment at the Enterprises(years)</td>
<td>13.2</td>
<td>11.0</td>
</tr>
</tbody>
</table>

6. Children’s Perspectives

To explore children’s view of their education and their mothers’ work at the enterprises, we interviewed 24 producers’
children at different enterprises and of different ages (ranging from primary school to college level). The interviews suggest that these children recognize that their mothers work hard for them at the enterprises and wish for their children's success in school and subsequent careers. When asked about their mothers' work, all of the children said that their mothers' work helps them to continue to pay for their education as well as family necessities. For example, Arif explained that his mother's work helps him and his sister to continue their studies. Arif’s father left his mother for another woman and this put his family in great poverty. With her mother’s employment, his sister was able to finish her bachelor’s degree. Arif continues his study and has now passed the Secondary School Certificate (SSC) exam with a good result. He says, “I am proud of my mother,” and appreciates her work as she contributes to their development. While not all children are academically inclined, many children receive scholarships and have obtained diplomas and degrees.

The interviews with children suggest that sons and daughters are similarly aware of their mothers’ hopes for them and appreciate their mothers’ work. Children also pointed out that both daughters and sons are encouraged to pursue their education. For example, pointing out the differences between her mother and other mothers, Nipa (10) said that “my mother treats all of my brothers and sister in equal way, but sometimes other mothers do not treat sons and daughters in same way.” This corresponds with the earlier survey result that both sons and daughters are similarly indicated as the person who has finished the highest grade in the household.

Children themselves have high hopes for their future careers. Some of the professions they hope for include doctors, nurses, teachers, accountants, and engineers. However, not all of the children have a good understanding of the professions they mentioned. For instance, some children did not know what type of education and training would be helpful or required to pursue specific careers. On several occasions, my research assistants explained to the children that they should be in a different track and class if they wish to achieve their future careers. While the future jobs that the children mentioned may not be realistic, these comments indicate that they see their future life as hopeful and open for many opportunities.

At the same time, children’s comments suggest that they perceive drawbacks and limitations to their mothers' work and have developed coping strategies. While all of them appreciate their mothers' work and income, some wish that their mothers could stay at home. Zahir, for example, said that he wishes his mother could stay at home like other mothers. In rural Bangladesh, the ability for a mother to stay at home can indicate social and financial class. Children feel that the absence of mothers at home during day time puts them in a different class from other classmates—a reminder that while their mothers have to work, others do not have to because they are financially better off.

Children also have to cope with financial and other limitations. Studying without private tutoring is one example. In Bangladesh, private tutoring is common and often crucial to obtain high marks on exams. However, producers’ children cannot afford such services. The children interviewed mentioned that it is difficult to prepare for major exams (such as graduation exams) without private tutoring, but they have to deal with the situation. In a few cases, older siblings and cousins could help them. In most cases, however, children often have to figure out the questions by themselves. My research assistants, who are university students, said to me that they really wished to give the children more helpful advice in preparing for the exams because they know that even if children are clever and attentive in class, private tutoring is often necessary to pass exams with good scores.

Children, even those who are relatively young, also mention that they have to support their mothers at housework as their mothers simply do not have the time and energy to do all of it after long hours of work. Older children help with the cooking and other household chores. When busy, some producers bring their work home in order to produce the necessary number of handicrafts. Children, especially those who are old enough, may help their mothers on such occasions. In one case, a child said that she helps her mother even if she has to skip school. She is a good student and lessons are not so difficult for her. She says, “I only skip school when we have few classes. But I can manage that. I ask help from my classmates about class lessons. I also have a cousin; I ask everything from him about class and other things in school if I cannot go. That's how I catch up with my school.” While this situation is rare, and this practice is discouraged by the enterprises, the child’s comments show how crucial her mother’s income is for the family.

7. Conclusion

The survey and interviews suggest that a majority of fair trade handicraft producers in this study have children who completed the highest grade in their households. Both sons and daughters are encouraged to pursue their education and there is little difference in the numbers of sons and daughters who are mentioned as the person who has completed the highest grade in their household. Accounts by producers suggest that they stress the importance of children’s education highly and their children often recognize this.
The results of this study also suggest several areas for future research to fully understand the long-term effects that fair trade production can bring. In this study, the survey indicates that producers whose children have gone to the highest grade in the household tend to have worked at the enterprises for longer. Steady income earned by fair trade handicraft production may have contributed to this. However, because of this study’s focus, it is not yet clear how length of employment relates to the children’s level of education. As mentioned in the beginning of this article, studies have suggested that fair trade production does not adequately address gender inequalities, including women’s participation in decision making processes (Boersma, 2009; Hutchens, 2010). However, in this study, the survey and children’s accounts suggest that daughters and sons of producers are similarly encouraged to pursue their education. Educational achievement is only one facet of the effects of fair trade production, but if this trend continues, it may lead to more profound effects on the gender relationships in the subsequent generations.

While this is beyond the scope of the present study, the relationship between children’s educational advancement and local economic and other development could be a fruitful topic to explore in the future. The pursuit of education may lead children to relocate to the cities. With training and experiences, children may return to help contribute to the local community in the long run. In other cases, children may not return. Relocation, in this case, may end up taking away young, talented individuals from communities and hindering the further development of local areas. Conducting follow-up studies about children’s lives in the future could provide insights into the effects of fair trade production.

This is a case study situated in production enterprises affiliated with a Bangladesh fair trade production organization. However, examinations of children of fair trade production workers can provide insights into one of the long-term effects of fair trade production in general. As mentioned in the beginning of this article, studies on fair trade production and its effects on producers have suggested several benefits and concerns that may arise in the future. The examination of producers’ children can help us to examine whether some of these negative effects are indeed brought about by fair trade production.

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Conservation of Property Rights of the Person Declared Missing

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Abstract

As our society develops rapidly, there are issues affecting probably every day families all over the world, as kidnapping and trafficking, hostage-taking or slavery. But sometimes the absence of a person for a long time might be a choice because the way of living has become far too individual and independent, despite many ways to maintain contact and communication with familiars and friends. These situations need to be regulated, and it is legislation’s role to provide temporarily solutions, as the situations thought and hoped to be temporarily. Declaring the missing of a person is a legal provision under well defined terms and conditions. This paper aims to explain the important role of this institute, seen as a guarantee to the protection and conservation of property rights of a person declared missing. The paper will underline the highlights of this institute, analyzing the provisions of the Albanian civil legislation, comparing them with the provisions of foreign legislations and taking in consideration judicial solutions. It will be noted especially the publicity that accompanying the procedure of declaring a person missing and the different regulations of personal and property rights of the missing people till his declaration or the possibility of his return.

Keywords: missing person, the administration of the right, property, returning the rights

1. Introduction

Back in time we see that one of the ancient Roman institutions is: postliminium. Roman citizens could lose the status of a citizen with the loss of freedom (deminutio maxima capitis). Roman citizens captured by opponents and return to slavery loss the Roman citizenship, but if the slave would be released he would enjoy the right to return to Rome. According to the legal institution postliminium he would be seen as a subject who has never lost citizenship, the right to freedom and other basic rights. (Novitskiy I.B., Pereterskogo I.S. 2000)

Despite economic conditions, social and social development in Albania and abroad still remains problematic the absence of persons and declaring them dead. Thus, nowadays are known cases of hostage taking, kidnapping and trafficking, keeping them isolated for a long time and use them as slaves. Persons ages and from all Walks of life go missing in many Different circumstances and for Different Reasons. (Missing People, 2008).

Analyzing the institute of “declared a person missing” is of a highest interest in particular for the Albanian case referring to social and economic developments, as well as the multitude of reasons that led to its application. If we refer to the communism area in Albania the main reasons led to the absence of persons were; the closing of state borders and escapement without notifying family members, in order to avoid the negative consequences of "crime”; the disappearance of political opponents regime and infiltration of people in the state intelligence abroad.

In the early 90’s the main reasons for the disappearance of persons were linked to the massive migration and "dangerous" forms of getaway. Number of persons declared missing increased as a result of criminal phenomena related to the trafficking of children for the beggar, organ transplant and girls for prostitution to European countries. The consequences of the absence of these persons increased the number of requests to the court to declare their missing.

The treatment of the property and personal consequences is of particular importance because the institute affects not only the missing person, but at the same other persons who stay connected in a relationship with him. The social relations of a property character, as well as other social relations that are not considered initially as property but which ultimately they can also be expressed in a property value, are legal relationships guided by law. (Nuni A. 2009)

Since the consequences of the declaration of the person missing are not equated with death, is possible and expected the reappearance of the person and the possibility of regaining back his rights.

2. The Institution of “Declared Missing”

A “missing person” is a natural person whose existence has become uncertain, because he or she has disappeared
without trace and there are no signs that he or she is alive. (CM/Rec 2009)

The legislation provides the terms, conditions and procedures set to declare a person missing, despite of the circumstances in which the person is disappeared from the residence or domicile. The lack of news and lack of information is considered an essential requirement to qualify a missing person. Family members or state authorities treat the absence as a presumed situation in which the person can be due to the inability to contact him. The reasons that can lead a person to be considered as missing are due to; avoidance of contact with consciousness as a result of family conflicts or performing criminal acts or failure of various legal obligations, but can also be connected to the impossibility for real contact, where the most unfortunate case would be his death.

The absence of the person does not necessarily mean disappearance from the domicile, but may occur as a result of extremely dangerous situations: "Missing person is a person whose whereabouts are unknown to his/her relatives and/or who, on the basis of reliable information, has been reported missing in accordance with the national legislation in connection with an international or non-international armed conflict, a situation of internal violence or disturbances, natural catastrophes or any other situation that may require the intervention of a competent State authority". (Guiding principles)

In these cases The Albanian Civil Code “avoids” the common procedure of declaring a person missing, because it provides the possibility of declaring the person dead, precisely of the dangerous circumstances and the great probability of the death of the person.

The concept of contact should be evaluated not only as an unilateral effort, but even as the efforts made by family members, state authorities and other interested persons to request information and get informed on the situation.

“The person who is absent from the place of residence or his last domicile and for which there is no news for more than two years, at the request of any interested person may be declared missing by the decision of the court.”. (Art. 18, 19 of the Albanian Civil Code)

The interpretation of the article clears out a two-year term, appointed by the legislator for the realization of contact. This term is reasonable and sufficient to news received by the person, but at the same time also sets a time limit for all concerned, not to invest the court immediately. When the day of the last news cannot be determined, the above deadline begins from the first day of the next month in which they got the latest news. When the month cannot be determined, the period starts from 1 January of the following year. (Art 18, 19 of the Albanian Civil Code)

The request to declare a person missing or dead may be submitted by any interested person and the prosecutor in the court where he last resided. (Art 375, of the Albanian Procedural Civil Code)

The term "interested person" is not defined either in the Albanian Procedural Civil Code, or in the Albanian Civil Code. Interpreting the law among "interested persons" shall be the spouse who may be interested for dissolution of marriage, parents and children, who are directly affected by the disappearance or death of their relative, or persons who are more interested in finding the truth or persons in charge of the absent person. (Curi P. 2008).

Persons interested in declaring a person missed, may also be other persons, who may be interested to protect their violated rights or to protect their interests by law (for example, lender, tax authorities), and the prosecutor, public authorities and individuals, as they are entitled to protect the rights and interests of others. (Yarkov V.V. 2003) As stated above, it is understood that persons who are defined as "interested", have common interests to seek the declaration of the missing person. This interest should be a legitimate interest, in order to be considered by the court.

The amendments adopted in the Albanian Civil Procedure Code, which enter into force in September 2013, include to the order of the persons concerned, the attorney with whom the person has edited a notarized will or deposited a special will for safekeeping. (Art 28, of the Law No. 122/2013 amending the Albanian Civil Code)

The declaration of the missing person is made by the court. The court declared the missing person only when is convinced that there are no news for real and there is no other way through which to provide the news. When declaring the missing of a person, the court sets custody for the administration of his estate. The decision of the court, by which a person is declared missing must be published in the Official Journal and submitted for registration to the respective civil registry office because the declaration of missing is component of the civil status of the person. (Civil Status Law) In the request to declare a person missing or dead, except of the circumstances in which becomes reliable the disappearance or death, should be included even the custody or his legal representative. (Art380 of the The Albanian Procedural Civil Code)

The Spanish legislation provides two phases in the procedure of declaration of missing person:
- Presumption of absence, known as temporary stage. This phase aims to “address the most urgent issues that can arise”. (De Cossio A. 1977). For the person who interrupts the relations with his relatives and where there is uncertainty about his location can bring a situation that requires immediate action to be taken to managing the wealth of the absent person. Article 181 of the Spanish Civil Code provides the right of the court
to appoint a representative to the missing person in order to protect his legal interests and legal negotiations and to prevent any damages that may arise. The judge may also impose other measures to achieve protection of legal interests. To implement these measures the Civil Code requires no information by the person who is absent.

- Declaration of missing, also known as the phase of legal absence. It is performed at the request of the interested party, "Persons who enjoy the right on the property of the person who is missing...". (Bonnecte J. 2001) (Partners, creditors, spouse, heirs). (García M.J.B. (2005) The Court examines all documents, and requires to the General Prosecutor to verify the relevant information.

Even the Italian legislation provides two phases in the procedure of declaration of missing person:

a) The absent, which is a factual situation during which the person is missing in his domicile. At this stage the person is not declared missing but persons who are interested may request the appointment of custody by the court to administer the property of the absent person.

b) Declaration of missing that is not only factual, but at the same time a legal situation. (Article 49, of the Italian Civil Code) Consequences that come as a result of the declaration of the person missing in Italian legislation are different from the Albanian legislation. According to Art. 50 of the Italian Civil Code, the declaring of the person missing brings these consequences:

- His heirs can take temporary possession of property of the missing person
- Disappearance leads not to the end of the marriage, but the spouse can have a new marriage which cannot be attacked for invalidity as long as the person will be missing. (Article 50, of the Italian Civil Code)

The French Civil Code does not provide the declaration of death, despite the time that may have passed from the moment of his absence from the residence. This is due to the political expansion that Napoleon undertook in the territory of Europe and abroad. The soldiers, who went to war, should be given certainty that when returning from it they would enjoy the same rights on the property and their marriage would continue to exist.

According to the article 112 of the France Civil Code, where a person has ceased to appear at the place of his domicile or residence and has not been heard from, the judge of guardianships may, on the application of the parties concerned or of the Government procurator, establish that there is presumption of absence. The judge may designate one or several relations by blood or marriage or, where appropriate, any other persons to represent the person presumed absentee in the exercise of his rights or in any act which would be his concern, as well as to administer all or part of his property; the representation of the presumed absentee and the administration of his property shall then be subject to the rules which apply to statutory administration under judicial supervision such as it is provided for minors and, in addition, under the following amendments. (Article 113, of the French Civil Code)

3. A Comparative Analyze on the Conservation of Rights of the Person Declared Missing

Preservation of the rights of the person declared missing is an important provision that aims to evaluate the possibility of his return. The publicity that is made with the publication of the court decision to declare the missing person in the Official Journal gives to the person an opportunity to become aware of what was happening in his absence.

"The decision of the court which declares a person missing must be published in the Official Journal and submitted for registration to the relevant civil registry office". (Article 16 of the Albanian Civil Code)

With the registration of the court decision in the Civil Registry Office, the institute starts to manifest its legal consequences. Just to protect the property rights of the person declared missing the court appoints custody for the administration of his property. (Paragraph I, article 16 of the Albanian Civil Code) The court may also take measures to ensure the property under circumstances that make it necessary to take them. (Article 380 of the Albanian Procedural Civil Code)

The Spanish Civil Code provides that the representation of the person declared an absentee, the investigation of his whereabouts, the protection and administration of his property and the performance of his obligations shall correspond to the present spouse of legal age not legally or de facto separated from him, his child of legal age; if there should be several, those who lived with the absentee shall be preferred, and an older child shall be preferred over a younger child, the nearest youngest ascendant of either line, siblings of legal age who have cohabited as a family with the absentee, with preference of older siblings over younger ones.

In the absence of the aforementioned persons, such representation shall correspond, in all its scope, to the solvent person of good background designated by the Judge at his prudent discretion, after hearing the Public Prosecutor.
The Spanish Civil Code has clearly defined the obligations "The representative of the person declared an absentee shall be subject to the following obligations:

1. To make an inventory of movable property and to describe any immovable property of his principal.
2. To provide the bond prudentially set by the Judge. The representatives included in numbers 1, 2 and 3 of the preceding article shall be accepted.
3. To preserve and defend the assets of the absentee and obtain from his property any normal returns of which it is capable.
4. To comply with the rules provided in the Civil Procedural Law relating to possession and administration of the absentee’s property.

The provisions governing the exercise of guardianship and grounds for ineligibility, removal and excuse of guardians shall apply to the appointed representatives of the absentee, to the extent that they are adapted to their special representation. (Article 185 of the Spanish Civil Code)

One of the legal consequences that bring the declaration of the missing person may be even the termination of the marriage but the Albanian legislation doesn’t provide such consequence. One of the conditions of marriage termination is by the declaration “dead” of one of the spouses but the legislation doesn’t provide such consequences in cases of declaration of a person missing. In such case there is no "breach" of the continuity of marriage. This provision doesn’t include the marital property regime. According to the New Family Code, article 96, the declaration of a person “missing” entails the termination of the legal property regime between the spouses and of any other marital property regime. On this fact the Albanian legislation provides that "A person who is declared dead regains all his property or personal rights from the person who has passed these rights". (Article 124 of the Albanian Family Code)

The termination of the property regime and its division that will be in according to the type of regime chosen by the spouses is justified by the fact of establishing custody for the administration of the property of the missing person.

The Italian legislation seems to be more careful in preserving the rights of the person declared missing in the event of his reappearance. Under the title "Termination of the effects of declaration of a missing person" art 56 of the Italian Civil Code provides the regaining of the rights of the person who reappears or in case there is evidence that this person is alive. According to Art 56, the person who is declared missing, regains all of his property rights which are in temporary possession of "his heirs", except when his absence was intentional or unjustified. (Article 56 of the Italian Civil Code)

4. Recommendations

It can be said that studying the institute of declaring a missing person has a special importance in nowadays. The main reason of treating and studying this institute is that, it legally constitutes the first phase of the declaration a person dead after the fulfillment of the term.

By applying the institute the law provides a guaranty for the administration of the missing person’s property and preserves his personal rights.

In comparative aspect with foreign legislation, the Albanian legislation has deficiencies in providing and regulating the institute of declaring a missing person in details. Based on the legal experience in this area of some European states legislation, I recommend some amendments:

- The article 375 of The Albanian Procedural Civil Code provides the right to make the request to declare a person missing or dead to any interested person, the prosecutor and by recent legal amendments even the attorney, without determining who may be the persons interested in. It would have been more accurate if the law defines the categories of the persons that would have been legitimized to make such a request.
- Referring to Spanish legislation which provides the categories of persons who may be custodies or legal representatives of the person declared missing and defines even their powers, the Albanian legislation does not have any similar provisions, so that this may lead to abuse not only in selecting the custody, but even in his obligations.
- Regarding to the Albanian family legislation and considering the procedure of declaring a person dead as a long procedure, at least about seven years, it may be reasonable the provision of a possibility of dissolution of marriage in case one of the spouses is declared missing. This would not be the same as if one of the spouses would have been declared dead because the marriage ends automatically, but to be designated as a right or opportunity of the other spouse to decide the fate of the marriage.
The Albanian legislation, like the Italian Legislation, must contain provisions if a person misses intentionally, as penalties, to prevent possible abuses.

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Rethinking the Theoretical Foundation of the Security-Development Nexus: Does a Hybrid Complexity-Postmodern Model Contribute?

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Abstract

This paper argues that the security-development nexus has too often been generically referred to as complex without analysing complexity theoretically. A possible theoretical interpretation of the security-development nexus is proposed by incorporating Paul Cilliers’ complexity theory and postmodern theory. Postmodernism is combined with complexity theory because it is inherently sensitive to complexity. The assumption is that any study examining the security-development nexus must essentially analyse a socially constructed system. Since social systems are complex systems, the focus must be – at a theoretical level at least – on the relationships between elements in the system. Postmodernism suggests that there is no grand narrative that can explain the security-development nexus, and no ‘end state’ that can be reached. Such notions, it is argued, are illusionary in a complex system. One must thus first understand complex systems theoretically in order to understand the security development-nexus.

Keywords: security, development, nexus, complexity, postmodernism.

1. Introduction

This paper offers a possible theoretical interpretation of the security-development nexus. Three basic assumptions are posited from the onset. The first is that the security-development nexus is part of a complex system; the second is that this system is imbued with meaning; and the third is that there is no grand narrative that represents the security-development nexus (henceforth ‘nexus’). These assumptions are, however, not novel. Stern and Öjendal (2010) has argued similarly in their excellent article in Security Dialogue. What distinguishes this paper from the latter’s contribution, is its willingness to engage theoretically with complexity. The argument put forward in this paper borrows extensively from the pioneering work of Paul Cilliers. The latter explores the notion of complexity from a philosophical and scientific perspective in his innovative book Complexity and Postmodernism: Understanding Complex Systems (1998). This insightful account provides a good foundation for our understanding of social systems. Cilliers integrates postmodern theory into his complexity theory framework in order to demonstrate its “inherent sensitivity to complexity” (Cilliers, 1998, p. 113). When this approach is applied to the nexus it illuminates its complex nature.

The term complex is habitually used in the literature pertaining to the nexus (see Chandler, 2007; Duffield, 2010; Hettne, 2010; Stern & Öjendal, 2010). When complex is utilised in this context, it is unclear whether the reference is merely a generic linguistic assertion that is included by default, or whether it is meant as a theoretical construct? In other words, although the reference to complex is explicitly stated, the discussions that follow lack a description of what is meant when the term complex is used. Could it be possible that complex is confused with complicated? There is, after all, a sharp distinction between these two concepts. Cilliers explains that social and biological systems, the brain, and languages are complex. Examples of complicated systems on the other hand are computers, planes, and engines. Complex systems cannot be given an exact and overall description, whereas complicated systems can be given an exact description (Cilliers, 1998, p. 3). The analyses of complex systems are often problematic in the social sciences. Many social scientists automatically adopt the analytical method when they examine complex systems. It could be argued, however, that the analytical method is essentially used to avoid complexity.

Cilliers asserts that the analytical method is often used when something is too complex to understand. The purpose of the analytical method is to divide the whole into “manageable units, which can be analysed separately and then put together again” (Cilliers, 1998, p. 11). The analytical method is one that “usually takes the form of splitting the structure of the system, and the meaning of that structure, into separate levels” (Cilliers, 1998, p. 2). But this, according to Cilliers (1998), is problematic.
If one is determined to understand complex systems, then one must endeavour to understand the relationships between the elements in that system, and how the system gives rise to such relationships in the first place. One must therefore be more attentive to connectionism and complex structural processes. A complex system requires a complexity model in order to describe systemic interaction. A simple model, or a rule based model, cannot describe complexity in its entirety. Thus, it is reasonable to assume that a complexity model can describe what is meant by complex when it is used in the literature on the nexus – or in any social science analysis for that matter. Mapping the nexus, as Stern & Öjendal (2010) has done with unusual clarity, raises a host of theoretical, empirical, and methodological questions. The theoretical aspects in particular receive attention in this paper. Theory helps us to think through the matter at hand whilst providing a platform for rigorous inquiry. It is always good to have and to test against empirical work an explicit theoretical framework.

One’s theory must include a clear statement of its intellectual context i.e. of the intellectual tradition from which it evolved and which it in some respects shares with other aspects or challenges, most importantly, of the key elements of the theory. Moreover, the epistemological and ontological foundations of any theoretical approach must be made explicit since that will ultimately become its strength.

It could be argued that the theoretical difficulties that we face when we attempt to analyse the nexus arise from our failure to establish an explicit universal behavioural theory of how individuals/groups usually behave. Some may claim that such failure constrains any investigation in the social sciences. It can even be said that the failure to have a universal behavioural theory has become the Achilles heel of the nexus. If such a universal behavioural theory did exist, then it would, by default, eliminate all possible uncertainties of how individuals behave, and how this behaviour can be predetermined, calculated and modelled by rule-based laws. But are these notions of a universal behavioural theory not an illusion? I argue that it is an illusion since it is not possible to have such oversimplified theories in the social sciences.

The main reason for this is that there is not one universal reality. Theories that aim to provide descriptions of the complexities of the nexus are needed. The postmodern approach championed in this paper accommodates such a proposal. Its inherent sensitivity to complexity provides a sound theoretical starting point.

It should be noted that any assumptions posited here are exploratory. This paper does not claim to provide the ‘silver bullet’, nor does it wish to claim that this theoretical framework trumps other theoretical frameworks. The aim is to merely provide a possible conceptual roadmap. It is also not the aim or purpose of this paper to provide an in-depth analysis of the different approaches to the nexus. Such approaches have been discussed in great detail elsewhere, and with far more sophistication than this study (or author) can possibly attempt to do. Examples of such excellent contributions can be found in the special edition of Security Dialogue (2010), Third World Quarterly (2009), the International Peace Academy (2004; 2006), Journal of International Development (2006), Chandler (2007; 2008), and Duffield (2007; 2012) to name only a few. In other words, the nexus (as it is discussed in policy circles and research projects in the academy) does not receive attention in any systematic fashion in this study. Besides, the scope of this paper is too limited to engage in any meaningful way with the broad and in-depth literature on the nexus.

2. What is the Security-Development Nexus?

The security-development nexus refers to one basic assumption: security and development are fundamentally connected. The familiar mantra is that “there is no development without security and no security without development” (UN, 2004). The former United Nations Secretary-General Kofi Annan argued that development and security are inextricably linked (cited in United Nations, 2004, p. vii). This familiar mantra resonates strongly in international policy circles (see OECD, 2007; DFID, 2005; European Council, 2003 & 2008; UNDP, 2005). The nexus is considered to be an awkward balancing

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1 There is a weak case to be made for the relationship between complexity and chaos theory. The two do not share similar theoretical assumptions, and their assessment and description of complex systems differ sharply. Cilliers (1998) is explicit in his views on this matter, and he provides a convincing argument of why chaos theory is not an applicable theoretical tool to explain complex social systems.

2 There are some social scientists that would disagree with this assumption. The democratic peace theory, it is often argued, is the closest thing we have in the social sciences to a general law. The democratic peace theory suggests that democracies, since the Second World War, do not have a tendency to go to war with one-another (Gat, 2006).
act between two mutually inclusive issues. The international community aims to tackle these two issues collectively in order to rid the world of their need. It goes without saying that the notion that security and development is connected remains a fiercely contested subject in the academy. Stern and Öjendal (2010) explains how “different empirical realities and processes... evoke much contestation over meaning” (p. 6). They argue, rather convincingly, that it (the nexus) does not have a meaning that is ‘fixed’. This paper echo’s Stern and Öjendal’s (2010) assumption that “the nexus can be understood as a network of connections between disparate ideas, processes or objects” (p. 11), and that “alluding to a nexus implies an infinite number of possible linkages and relations.” However, the aim should not only be to echo such assumptions, but also to explore what it could possibly mean when they claim that there exists “linkages and relations” and a multitude of “connections.” I suggest that one must start by understanding the inner workings of complex systems in order to understand why the aforementioned (possibly) transpires the way they propose. I also suggest that the different ontologies that Stern and Öjendal (2010) alludes to are generated because of a complex system.

3. Complexity

Paul Cilliers rejects traditional notions of representation, and avoids oversimplified propositions – such as those proposed by rule-based models. His exposition on diverse discourses in complex systems is in line with Stern and Öjendal’s (2010) central argument i.e. that the conceptual key to the nexus lies in how it is interpreted by different actors. According to Cilliers “it is not possible to tell a single and exclusive story about something that is really complex” (Cilliers, 1998, p. viii). That said, however, the latter should not be equated with extreme relativism. Complexity “does not lead to the conclusion that anything goes” (Cilliers, 1998, p. ix). In a complex system “the interaction between the system and its environment are of such a nature that the system as a whole cannot be fully understood simply by analysing its components. Moreover, these relationships are not fixed, but shift and change” (Cilliers, 1998, p. ix). In essence, this theory is not static; it is able to explain change. But what exactly does this theory propose? Cilliers (1998) succinctly outlines ten basic assumptions of his interpretation of complexity theory. These are listed below. In a subsequent section I will briefly discuss how the nexus could possibly represent each of these theoretical assumptions.

1) “Complex systems consist of a large number of elements” (p. 3).
2) “In order to constitute a complex system, the elements have to interact, and this interaction must be dynamic.” Furthermore, “a complex system changes with time” (p. 3).
3) Interaction in complex systems are fairly rich, “any element in the system influences and is influenced by, quite a few other ones” (p. 3).
4) “Interactions are non-linear. Non-linearity also guarantees that small causes can have large results, and vice versa. It is a precondition for complexity” (p. 3).
5) Information is received in short range, and proximity is usually important. “Long-range interaction is not impossible, but practical constraints usually force this consideration” (p. 3).
6) “There are loops in the interaction. The effect of any activity can feed back onto itself, sometimes directly, sometimes after a number of intervening stages. This feedback can be positive (enhancing, stimulating) or negative (detracting, inhibiting). Both kinds are necessary. The technical term for this aspect of a complex system is recurrency” (p. 3).
7) “Complex systems are usually open systems, i.e. they interact with their environment. The scope of the system is usually determined by the purpose of the description of the system, and is thus often influenced by the position of the observer. This process is called framing” (p. 3).
8) “Complex systems operate under conditions far from equilibrium. There has to be a constant flow of energy to maintain the organisation of the system” (p. 3).
9) “Complex systems have a history. Not only do they evolve through time, but their past is co-responsible for their present behaviour. Any analysis of a complex system that ignores the dimension of time is incomplete, or... a synchronic snapshot of a diachronic process” (p. 3).
10) “When we look at the behaviour of a complex system as a whole, our focus shifts from the individual elements in the system to the complex structure of the system. The complexity emerges as a result of the patterns of interaction between the elements” (Cilliers, 1998: p. 3-4).

Cilliers’ complexity theory focuses on a multitude of richly correlated, interconnected, and mutually reinforcing elements, which is the strength of this theory. It describes interaction at the structural level as well as the interaction between elements within the system. Hettne (2010) reminds us that theory should clarify “more deeply in what ways development and security can be (casually) related and how the two may influence each other” (p. 34). But I would argue that one must theoretically understand how security and development come to interact in the first place before the causal
step in the process can be analysed. In other words, how are elements of security and development connected in a larger context? Security and development are both products of a social system, and social systems are self-organising and complex (Byrne, 1998). Complexity does not mean randomness. “The structure of the system cannot consist of a random collection of elements; they must have some meaning” (Cilliers, 1998, p. 11). This meaning is the result of a process of interaction, and a process in which one element is connected to many other elements in the system. Cilliers argues that this process is dialectical, “involving elements from inside and outside – as well as historical, in the sense that previous states of the system are vitally important” (Cilliers, 1998, p. 11).

Cedric de Coning (2012) has observed how peacebuilding (a classic example of the nexus) is often referred to as complex in the literature. He explores the assumption that peacebuilding is a complex process in his doctoral dissertation. de Coning provides us with a clear and rigorous conceptual framework when he applies Cilliers’ complexity theory to the analyses of peacebuilding. De Coning argues that complexity theory can help us to understand the causal link between coherence, effectiveness and sustainability in peacebuilding (de Coning, 2012). His study concludes with three core findings. These were reached after he applied the basic assumptions of complexity theory (listed above) to peacebuilding. These three findings are cited below and it deserves full quotation:

1) “Peacebuilders need to concede that they cannot, from the outside, definitively analyse complex conflicts and design ‘solutions’ on behalf of a local society. Instead, they should facilitate inductive processes that assist knowledge to emerge from the local context, and such knowledge needs to be understood as provisional and subject to a continuous process of refinement and adaption.”

2) “Peacebuilders have to recognise that self-sustainable peace is directly linked to, and influenced by, the extent to which a society has the capacity, and space, to self organise.”

3) “Peacebuilders need to acknowledge that they cannot defend the choices they make on the basis of pre-determined models or lessons learned elsewhere. The ethical implications of their choices have to be considered in the local context, and the effects of their interventions – intended and unintended – need to be continuously assessed against the lived-experience of the societies they are assisting” (de Coning, 2012, p. iv).

Paul Cairney’s (2012) timely publication on the use of complexity theory in political science and public policy is a more sceptical account than the one cited above. Cairney argues that complexity theory can greatly contribute to policy studies, and should be considered as a serious approach in political science, but ultimately concedes that there is still some “way to go” for it to be a useful theoretical tool (Cairney, 2012). Cairney provides four excellent insights that can be gained by complexity theory when it is applied to the domain of public policy-making. (1) It is difficult to establish and identify law-like behaviour in a policy process because the latter is “guided by a variety of forces” (p. 349). “A policy that was successful in one context may not have the same effect in another… so many variables are relevant (and tiny variations in them can matter) that is difficult to account for them all” (p. 349). (2) Systems “have self organising capacities, making them difficult to control” (p. 349). (3) Environments provide choices for agents and these environments change quickly and are often unstable (p. 349). (4) Actors can choose how they act in complex social systems. They can create “their own perception of what they want and how to behave in the landscape they are in” (Teisman and Klijn, 2008, p. 289 cited in Cairney, 2012).

The prominent Harvard and Oxford historian Niall Ferguson also acknowledges, perhaps unsurprisingly, that social systems such as civilizations and empires are “highly complex systems, made up of a very large number of interacting components that are asymmetrically organized” (Ferguson, 2012, p. 299f). In his book Civilization, Ferguson asserts that a “small input into such a system can produce huge, often unanticipated changes” (Ferguson, 2012, p. 300). Moreover, he notes that complex systems exhibit non-linearity, feedback loops and rich interaction between elements in the system.

“Causal relationships are often non-linear, which means that traditional methods of generalization from observations (such as trend analysis and sampling) are of little use… the political and economic structures made by humans share many of the features of complex systems… a complex economy is characterized by the interaction of dispersed agents, a lack of any central control, multiple levels of organization, continual adaption, incessant creation of new market niches and no general equilibrium” (Ferguson, 2012, p. 300).

If one considers the ten basic building blocks of complexity theory listed above, then it becomes apparent that Cilliers’ assumptions are present in all three social science disciplines briefly discussed here. Peacebuilding, Policy Studies, and Economic/Political History can be considered as distinct academic disciplines respectively. These disciplines use different methodological and theoretical approaches to understand processes in the world. That said, they all have
one thing in common: they all study self-organising social systems. It is interesting how the assumptions of complex systems are represented in each of these examples with astonishing consistency.

4. Postmodernism

Postmodernism cannot be “easily encapsulated in one phrase or idea” (Parpart, 1993, p. 439). The word has been used to mean different things for different actors. Interpretations can be varied. Some interpretations can vacillate between ‘postmodern’ and ‘post-structural’, some can make strong distinctions between the latter, and some can collapse ‘postmodern’ and ‘post-structural’ into one meaning (see Hicks, 2004). This is precisely the reason why postmodernism is criticised. It appears vague, and at best relativistic. But this does not necessarily have to be the case. In order to provide some clarity and focus it is necessary to mention that this study does not attempt to engage with postmodernism as a cultural assessment, or as a form of literature critique. Instead, this study is more interested in the condition of postmodern knowledge. Following in the footsteps of Cilliers, the aim here is not “to provide an apology for postmodernism, or some specific interpretation thereof, but rather… to analyse contemporary society and social theory in terms of our conceptual models of complexity” (Cilliers, 1998, p. 113).

Postmodernism is primarily a response to modernism. It rejects the notion that there are objective and universal knowledge claims, which is in stark contrast to what science and reason seeks to establish (Baudrillard, 1984; Bauman, 1992; Hicks, 2004; Rorty, 1980). According to the renowned postmodern scholar Jean-Francois Lyotard, the term modern in postmodern means a specific approach to scientific knowledge.

“I use the term modern… to designate any science that legitimates itself with reference to a metadiscourse… making an explicit appeal to some grand narrative, such as the dialectics of Spirit, the hermeneutics of meaning, the emancipation of the rational or working subject, or the creation of wealth… the Enlightenment narrative [is one] in which the hero of knowledge works toward a good ethico-political end – universal peace” (Lyotard, 1984: xxiii).

What Lyotard is essentially arguing in The Postmodern Condition (1984) is that social systems exist out of many different groups, and these groups have a plethora of different stories about the world, about their own actions, and their knowledge. These stories are local stories i.e., stories that do not represent the whole, but rather narratives that are limited. Hence, all knowledge cannot be in one place, it cannot be confined and represented in one location, and it cannot be unified. The postmodern condition allows for a multitude of discourses, and these discourses are evaluated and understood differently by different groups. But this does not mean that ‘anything goes’. This common charge against postmodernism is indicative of the misinterpretation of the individual in a social system. The individual does not function in isolation. Lyotard rejects any notion of the individual as an isolated actor. The self is a “fabric of relations” (Lyotard, 1984, p. 15). The individual is “complex” and “mobile” (Lyotard, 1984, p. 15). The individual is part of a larger community, one in which he/she fulfils multiple roles. In other words, the individual cannot be separated from the social context in which he/she is located. Cilliers argues that Lyotard’s suggestion of a multiplicity of discourses is not a wilful move; it is an acknowledgment of complexity (Cilliers, 1998, p. 116). Society, as it has been argued already, is a complex system. Discourses about this complex system may form certain groups, but these groups cannot be isolated from the plethora of interactions in the network because it is always connected and always in motion. In other words, no story is fixed, no story is absolute, and no story reaches equilibrium. Hence, Cilliers argues, “what we have is a self-organising process in which meaning is generated through a dynamic process, and not through the passive reflection of an autonomous agent that can make anything go” (Cilliers, 1998, p. 116). The typical ‘relativism’ argument against postmodernism is thus unconvincing. It lacks rigour and careful reflection. But could such dispositions be due to a specific type of knowledge claim that is venerated? The type of knowledge that can only be attained when one adheres to a metadiscourse or a rule-based method?

5. Applying a Complexity-Postmodern Hybrid Model to the ‘Nexus’

The aim of this section is to apply the theoretical assumptions of complexity and postmodernism discussed thus far to the security-development nexus. Cilliers’ (1998) ten basic assumptions of complexity theory are listed below. These are followed by a brief discussion on how each of the theoretical assumptions could possibly be represented by the nexus.

“Complex systems consist of a large number of elements.” The nexus consists of a large number of elements because it deals with a wide range of social actors. These actors perform different roles in the system. The nexus could comprise of international actors, regional actors, and local actors. These actors, and the organisations or groups they are
affiliated with, form a complex whole. Development and security are both part of the same network of interactions. They do not operate in isolation. Their goals may differ but their actions are part of the same system, and their actions also uphold the system. The system cannot rely on single elements in the system to achieve security and development. These issues require a large number of elements to work together to be successful.

“The elements in a complex system interact dynamically.” The actors in the social system constantly engage with each other. Knowledge and information is shared, and cooperation between different individuals takes place. International organisations will exchange information with local actors and/or regional actors in order to achieve desired goals. Local actors will communicate their needs and desires to international or regional actors and inform them of what steps need to be taken to address specific issues. Meaning cannot arise out of isolation. The individual is understood, and organised, by its relationship to other individuals. These relationships do, however, change continuously. The nexus means that a wide variety of actors will engage on a wide variety of issues. These issues overlap and are mutually reinforcing.

“The level of interaction is fairly rich.” Humans interact on different levels, for different reasons, and in many different capacities. For example, in the case of a security/development emergency a politician can interact with a large number of elements, such as Think Tanks, NGOs, foreign government officials, soldiers, doctors, engineers, aid workers etc. The same can be said for an individual in need of aid in a conflict zone, or in one of the underdeveloped regions of the world. This individual will most certainly interact with local civil society actors, NGOs, aid workers, doctors, soldiers, and other individuals that seek aid and assistance. This is not limited only to positive aspects but also negative aspects. An individual will also engage with those that seek to harm him/her, or withhold aid from the individual. They are all part of the same system.

“Interactions are non-linear.” Cilliers (1998) argues, “non-linearity is a precondition for complexity” (p.120). Linear systems are symmetrical whereas non-linearity is asymmetrical. Linear/symmetrical relationships represent systems that are simple. Rich interaction, however, means that complex systems can enhance non-linearity, primarily because of competition. The competition for resources and the use of power is closely related. “Non-linearity, asymmetry, power, and competition are inevitable components of a complex system. It is what keeps them going, their engine” (p.121). Power is not symmetrically distributed in a complex system. There are those that have power, and those that have less power. This does not mean that power is not abused – it is often abused (see Foucault, 1991). But relationships are not symmetrical in a complex system because that would mean equilibrium, and complex systems do not operate under conditions of equilibrium. Soldiers obey officers; aid workers work under managers; politicians report to presidents or senior ministers, and junior UN officials report to senior UN officials etc. At the structural level, the economy and the political system operate purely on power relations. But these systems also interact with each other. Politics and economics are always connected.

“The interactions have a short range.” Those individuals that are affected by insecurity or underdevelopment will interact first with others in their vicinity. This will then be increased when these individuals come in contact with other individuals i.e. when they expand their range of interaction. The same can be said for those actors who wish to assist in curbing insecurity and underdevelopment. Providing such assistance from a distance is possible but not necessarily the most effective. ‘Boots on the ground’ (not only in the military sense of the word) provides a better perspective and a better sense of what is needed in the location that requires assistance. These interactions thus become short-range interactions with individuals that are local, and who have knowledge of a specific area and/or situation. The elements in this complex system can also form groups or clusters when the system is large. Clustering occurs due to specific interests or functions of the elements in the system. For instance, aid organisations will form one cluster, security personal will form another cluster, and political bodies will form another. These groups can only act on information that is available to them. They cannot make use of a metanarrative to explain a situation in its totality. Different discourses and meanings are created through these clusters.

“There are loops in the interaction.” In large networks feedback becomes a fundamental aspect of the complex system. The actions and activity of one element can influence itself either directly or indirectly. There are loops in the complex system and these loops are interconnected. It is not possible to identify exactly what the ‘true’ interpretation of any type of information is in the system. This is why complexity theory and postmodernism suggests that information can only be understood, or be interpreted, in a local setting, one that in turn helps the individual to reflect back onto this information and thereby transform the information. If we accept that we live in a postmodern society then we must accept that there is no definitive truth that is set by a meta-level discourse. The activity of an actor can ultimately reflect back onto itself. For instance, if one government insists on helping another government with a security or development
dilemma, then the donor government could benefit from such action. Take for example the case of Sweden and South Africa. For twenty-six years Sweden supported the liberation movement in South Africa (Sellström, 2002). Sweden financially supported the ANC-led armed struggle, which eventually led to the ending of apartheid. This support was not only geared towards progressive political and economic policies, but also towards fundamental human rights initiatives (Sellström, 1999). These Swedish initiatives were carried forward into a new epoch – one where the Swedish backed liberation movement positioned itself favourably to lead a democratically elected government. Swedish generosity during apartheid eventually influenced post-apartheid Swedish policies vis-à-vis South Africa. Sweden has primarily pursued a foreign policy based on development cooperation with the post-apartheid government. The latter has been geared towards poverty alleviation, the strengthening of democracy, the support for civil society, the training of police forces, the improvement of healthcare, and the upgrading of military equipment (Country Strategy, 1999; 2004; 2009). Development cooperation has coincided with increased efforts to bolster bilateral trade agreements. These engagements and commitments to the ‘new South Africa’ created an opportunity for Sweden to enter into a multi-billion [US] dollar arms deal with the ANC-led government. The projected offset deals that would accompany this huge arms deal would not only benefit the South African government but also the Swedish government and the Swedish defence industry (Feinstein, 2012). This arms deal was a return on investment. Sweden used its moral leverage and its long-term investment in aid, trade and development cooperation to actively promote a multi-billion dollars arms deal.

“Complex systems are open systems.” The social system is not a closed-off system, it also interacts with its environment i.e. the ecosystem. Environmental degradation and resource scarcity are often considered to be key indicators for increased conflict in developing countries (Coetzee, 2012). Mason et al. (2008), writing on the role of the UN in conflict prevention, finds that “environmental factors play a key role in many conflicts, yet they are always interlinked with political, economic, and socio-cultural factors” (p. 16). It is often argued that environmental conflicts are inherently complex (Homer-Dixon, 1996; 1999; Diehl & Gleditsch, 2001). This could explain why environmental factors are typically not found to be an independent cause of conflict. In a study on conflict in Nigeria, Coetzee (2012) found that environmental factors are often intervening variables that link political, economic, and social factors to conflict.

“Complex systems operate under conditions far from equilibrium.” Complex systems cannot survive under conditions of equilibrium. In other words, energy is constantly needed to uphold the complex system. The nexus is an ongoing process. It is a boundless horizon. There is no end state. The nexus is always in motion, always evolving. There are always new development challenges, and new security emergencies. There is a constant flow of new discourses and new meanings that are generated by the elements in the system. The term stability does not mean the ‘end’ to security and development; it only means damage control and the minimization of further losses. These two aspects are too dynamic to be understood as entirely stable. With constant evolving power relations, and the competition for resources, there will be no equilibrium – the system ensures that. It ensures that conditions are far from equilibrium.

“Complex systems have histories.” The history of a complex system is not an objective truth. There is not one history; there are many different interpretations of a system’s history. In other words, there is not one historical interpretation that can explain the current state of the system in its totality, or one that can provide the system with an exact meaning. But this does not mean that a complex system must be considered to be ahistorical. History is important to the extent that “it forms an important part of our consciousness, contributing to our beliefs” (Lipton, 2007) and shaping our understanding about our society. An analysis of the nexus must be critically and consciously aware of the human condition within his/her social construction, not divorced from history or ideas about the world. One cannot stand outside of one’s history or social construction. One is always located within a social configuration. Inter-subjective meanings overtake objective knowledge claims that positivists and their modernism program claim. Society is after all a human construction, and so is security and development.

“Individual elements are ignorant of the behaviour of the whole system in which they are embedded.” This is arguably the most challenging theoretical point to apply to the nexus. In the present-day it is difficult to imagine that elements in a complex system can be uninformed of the entire system. But a single element cannot represent the entire system’s complexity. It is an illusion to think that we can understand the entire system when we study a single element in the system. All elements are part of a large network. Elements are not separate and do not function in isolation. However,

3 African National Congress
4 U. Bjerei (personal communication, September 26, 2012)
5 M. Walan (personal communication, October 1, 2012)
6 N. Resare (personal communication, October 2, 2012)
7 A. Ek (personal communication, October 3, 2012)
an individual can only act on the information that is available to him/her. The individual cannot take all possible factors into account when decisions are made. Moreover, small changes in the system can have large results because our actions, as individuals, are unpredictable. I therefore find political risk analysis unconvincing because it attempts to predict human-made risks in a social system. This is like ‘poking in the dark’. There is no universal behavioural theory that can predict how humans behave, and how they react to each situation. Such notions are rejected by postmodernism. The postmodern condition is one that acknowledges many different discourses, beliefs, and unpredictable actions. This is ultimately what the proponent’s of the nexus must acknowledge if they seek to understand the nexus.

6. Conclusion

This paper has attempted to offer a theoretical interpretation of the security-development nexus. Borrowing extensively from Paul Cilliers work on complexity theory and postmodernism, the paper argued that in order to understand the nexus theoretically, one must attempt to understand complex systems. The nexus is often referred to as complex in the literature pertaining to security and development without any attempt to analyse complexity theoretically. The aim of this paper was to address that matter. It is my contention that security and development scholars can gain much from using complexity theory. Future studies must aim to apply this approach in a more rigorous and systematic fashion to empirical cases. Paul Cairney (2012) is right when he reminds us that there is still some way to go before complexity theory can be taken seriously in the social sciences. However, this should not deter scholars from actively exploring this intriguing approach.

References

Boris Pasternak: Russian Writer in Italy

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Abstract

Boris Pasternak is a prominent Russian poet and writer, a Nobel laureate in literature (1958), whose life was essentially connected with Italy. In 1957 his novel “Doctor Jivago” was published in Italy in the Feltrinelli publishing house. The appearance of this novel could be compared with an earthquake, a cultural explosion because Italian readers did not expect that “in the table” of soviet writers was hidden such an interesting phenomenon. The novel instantly became a bestseller.

It was an honor for me to participate in the translation and publication of papers written by Italian writers, critics and historians of literature who reacted immediately upon the publication of “Doctor Jivago”: e.g., A. Moravia, I. Calvino, F. Fortini, C. Cassola, C. Salmari, etc. In this paper a classification of their opinions, reactions and points of view is presented. These opinions were vivid, natural, not dictated by ideology (as it happened in the USSR). The Italian publishers and Italian critics, who mostly praised the novel, played the substantial role in the worldwide advance of the novel “Doctor Jivago”. It is interesting that Italian critics (that were not well informed of the soviet literature because it was mainly “hidden in the tables” of soviet writers) evaluated the novel correctly and even guessed the perception of the novel by Russian critics. I’m happy to make a presentation of the book entitled “Il Dottor Zivago” Pasternak, 1958, Italy” that was published in Russia. The book was published in Russian, but its edition in the initial language of the italian critics and writers - in Italian – is also indubitably worth publishing.

1. Introduzione


2. La storia della pubblicazione

Nella sua patria, in Unione Sovietica, Pastenak come molti altri scrittori subì persecuzioni da parte del governo; tutti erano accusati di diffondere delle idee contro la politica comunista anche se effettivamente non gli passava nemmeno dalla mente di contrastare la politica o combatterla. Si diceva che la letteratura ufficiale sovietica non poteva produrre nulla di buono, perché l’ispirazione degli scrittori russi era bloccata fin dal principio: gli scrittori non erano liberi di esprimere i propri pensieri, anche se credevano di esserlo. P.e. uno scrittore senza dubbio tipico sovietico – Alexandr Fadeev (conosciuto anche all’estero, anche in Italia) non era più libero di un anticomunista, perché la sopraffazione ideologica sofocava anche in lui la possibilità di far qualcosa di vivo e di vero.

Nell’Unione Sovietica qualsiasi letteratura veniva punita e sofocata. Perciò molte opere e anche capolavori degli scrittori russi erano “capolavori nel cassetto” come si diceva, cioè nascosti, non pubblicati. La stessa cosa succedeva anche a Pasternak, che però riuscì a pubblicare il suo romanzo all’estero, in Italia in lingua italiana. I burocrati sovietici non solo non hanno permesso la pubblicazione del libro in patria, ma hanno tentato persino di impedirne la pubblicazione all’estero. Si legge in C. Cassola: “così facendo, hanno reso un pessimo servizio non soltanto al proprio paese (un libro come il "Dottor Zivago" giova più al prestigio culturale della Russia di cinquanta Sputnik), ma allo stesso regime sovietico", perché il romanzo di Pasternak non è per niente un romanzo sovietico [7; 534]. La stessa cosa facevano anche i comunisti e sovietici italiani, facevano il possibile per impedire l’uscita del romanzo di Pasternak anche in Occidente. Il romanzo venne rifiutato dall’Unione degli Scrittori dell’Unione Sovietica, che ai tempi del regime comunista non poteva permettere la pubblicazione di un libro, senza alcun dubbio autobiografico, che raccontava i lati più oscuri della Rivoluzione d’ottobre. Il romanzo diventò la causa di persecuzioni dello scrittore da parte del regime e dei servizi segreti che lo costrinsero alla povertà e al totale isolamento. Infatti Boris Pasternak morì pochi anni dopo l’uscita del romanzo nella sua casa a Peredelkino completamente solo.
Però il romanzo si diffuse in occidente e nel giro di pochissimo tempo venne tradotto in molte lingue, diventando la vera testimonianza della realtà sovietica.

Nel 1964 il poeta Eugenio Montale scrisse le parole iniziali della prefazione a “Il dottor Živago”: “Non occorreva conoscere la lingua russa per sapere che Pasternak occupava un posto considerevole tra i moderni lirici russi: un posto tanto importante da far sì che molte delle sue poesie fossero tradotte nelle varie lingue europee assai prima che venisse alla luce “Il dottor Živago” [12].

In Russia legalmente il romanzo fu pubblicato soltanto nel 1988 (28 anni dopo la morte di Pasternak), pochi anni prima della caduta dell’Unione Sovietica, quando le riforme di Gorbačëv fecero respirare un po’ di libertà.

3. Pasternak e il Premio Nobel

Nel 1958 il “Dottor Živago” fruttò a Pasternak l’assegnazione del Premio Nobel per la letteratura. Ma la storia di tutto questo è molto tragicà e spiegevole. Pasternak inviò un telegramma a Stoccolma all’Accademia Svedese per esprimere la propria gratitudine, però alcuni giorni più tardi fu costretto a scrivere la sua rinuncia. Infatti Pasternak subì pressanti minacce e avvertimenti dalla parte del KGB: dalla sua definitiva espulsione dalla Russia fino alla confisca delle proprietà (già troppo limitate). In questo modo lo costrinsero a rifiutare la fama e il riconoscimento che avrebbe trovato all’estero. Solo dopo la rinuncia la persecuzione finì. Così non ritirò mai il premio. Morì due anni più tardi in povertà nella sua casa a Peredelkino, nei dintorni di Mosca, nel 1960.

E solo nel 1989 il figlio dell’autore Evgenij Pasternak si recò in Svezia per ritirare il Premio spettante a suo padre 31 anni prima.

4. Opere conosciute in Italia prima del “Dottor Živago”


Nel 1946 nella rivista di Elio Vittorini “Il Politecnico” apparve per la prima parte del “Salvacondotto” – un libro autobiografico, dedicato ai ricordi.

Nel 1957 oltre alle ben note vicende legate al romanzo, in Italia esce la pubblicazione presso Einaudi del primo volume interamente dedicato alle poesie di Boris Pasternak [15]. L’opera editoriale compiuta da Einaudi è il frutto di un lavoro di esegesi e traduzione intrapreso da un noto professore dell’Università La Sapienza di Roma: Angelo Maria Ripellino. Ripellino inizia ad occuparsi di Pasternak dalla fine degli anni Quaranta, continua a tradurlo includendo sue

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1 De Michelis ricorda tre episodi sintomatici del clima culturale repressivo: la pubblicazione nel 1939 degli Elenchi di opere la cui pubblicazione, diffusione e ristampa nel Regno è stata vietata dal Ministero della cultura popolare, che avevano proibito qualsiasi materiale proveniente dall’Unione Sovietica; l’emigrazione nel 1938 del più importante russista in Italia, Renato Poggioli, e l’incarcerazione e la morte dello specialista di letteratura russa e traduttore Leone Ginzburg. [Cfr. 4, 209].

Tutto sommato Boris Pasternak era già noto e conosciuto in Italia anche prima dello scandalo intorno al romanzo “Il Dottor Zivago”, benché (come diceva il traduttore del romanzo in lingua italiana – Pietro Zveteremich [19]), fosse noto piuttosto al “pubblico d’élite”.

5. Slavisti italiani e Boris Pasternak

Pasternak era noto non solo ai lettori italiani, ma piuttosto ai critici. Anche prima dell’uscita del “Dottor Zivago” Pasternak era molto stimato dagli slavisti italiani. Tra i più celebri c’era Vittorio Strada, che da molti anni era docente all’Università Ca’ Foscari di Venezia, ex direttore dell’Istituto Italiano di Cultura di Mosca. All’età di 83 anni Vittorio Strada è considerato ancora oggi uno dei più grandi critici e slavisti italiani, fra i massimi esperti del mondo russo e della sua indecifrabile “anima russa”. Ha dedicato una grande parte della sua ricerca proprio alla persona di Boris Pasternak, ha curato una notevole raccolta di saggi “I russi e l’Italia” [8].

V. Strada si è seduto a tavola con i più grandi scrittori del XX secolo e ha brindato con Pasternak nella sua casa a Peredelkino. Era Vittorio Strada ad aiutare la pubblicazione del romanzo di Pasternak in Italia.


Uno degli specialisti più assidui fu Cesare G. De Michelis, l’autore di un libro dedicato a Pasternak. Tendeva a sottolineare che benché Pasternak avesse trascorso in Italia solo un breve periodo nell’adolescenza, l’Italia fu destinata ad avere un gran peso nella vita del poeta perché proprio in Italia nacque la sua fama come scrittore [3, 6]. Vero è che il nome di Boris Pasternak diventò famoso grazie allo scandalo e alla fama sensazionale dovuta alla storia de creazione del romanzo.

6. Reazione dei critici

Subito dopo la pubblicazione del romanzo di Pasternak in Europa avvenne un’esplosione culturale; Pasternak ha messo in moto il campo letterario italiano: molti famosi scrittori e critici letterari espressero il desiderio di esprimere la propria opinione nei confronti del romanzo. Bisogna rendersi conto del fatto che quasi tutti pensavano, che la letteratura russa fosse destinata a morire di morte naturale per i motivi politici, e l’apparizione del romanzo il “Dottor Zivago” fu veramente una sorpresa. Che Pasternak sia sopravvissuto e sia riuscito a scrivere il “Dottor Zivago” dimostra che lo stalinismo ha causato l’arresto ma non l’interruzione definitiva o la scomparsa della tradizione narrativa russa.

Grazie al lavoro molto duro e scrupoloso di Alessandra Reccia, che aveva ritrovato tanti articoli di giornali e di riviste italiani scritti dagli scrittori e scienziati più notevoli per far vedere la loro reazione all’uscita del romanzo, noi abbiamo potuto pubblicare questi saggi in lingua russa. È veramente una cosa meravigliosa che un numero così grande di studiosi italiani abbia manifestato il desiderio di fare la propria ricerca, di esprimersi, di dire la sua in proposito.

Questo libro è stato una vera sconcertante e splendida sorpresa. Prima di leggerlo molti lo ritevano un pamphlet antistalinista. Prima del romanzo di Pasternak la critica letteraria italiana conosceva pochi esempi della narrativa russa – solo “Nella città natale” di Nekrasov, “Il Disgelo” di Ehrenburg, “Non si vive di solo pane” di Dudintsev. Ma “Dottor Zivago” non ha niente a che fare con queste opere e con quello che veniva pubblicato in Russia in quel periodo. In Europa si parlava soprattutto della crisi del romanzo come tale, sostenendo la fine del romanzo o la sua trasformazione in un documento o saggio di genere filosofico. Inoltre molti critici italiani erano abituati da decenni a pensare alla grande narrativa russa come ad un fenomeno limitato all’Ottocento, che si era chiusa con Cecov. Anzi si ritenne che la letteratura russa fosse morta non solo per la pressione esercitata dallo stalinismo, ma piuttosto di una morte naturale, benché ci si rendesse conto della forte pressione ideologica-politica del regime che realmente aveva falsato il corso della letteratura russa, avendo sofocato in germe dei possibili capolavori.

Ci sono diversi tipi di giudizi. Due primi approcci rispecchiavano due atteggiamenti completamente diversi nei confronti del romanzo. Una parte dei critici lo lodava e lo portava alle stelle, l’altra invece lo biasimava e non ne vedeva niente di interessante e nuovo.

Italo Calvino ammirava il respiro e l’altezza del romanzo [7, 717]. G.B. Angioletti definiva il “Dottor Zivago” “un’opera magnifica, dove si ritrovano intatti gli elementi poetici, epici e morali che consentirono la grandezza passata della letteratura russa” [13]. G. Piovene nel romanzo ravvisava “una novità, una scoperta e un punto d’arrivo” di tutta la letteratura occidentale [14].

Tra i primi era Pietro Citati che vedeva nel “Dottor Zivago” un vero e proprio “romanzo” intimamente sorretto e articolato da una schematica costruzione” [18].

Il secondo esercito si inclinava verso il giudizio fortemente limitativo o addirittura negativo. Molti critici ammettevano che le descrizioni di paesaggio e tutta la storia d’amore fossero molto belle, però nel suo insieme sarebbe stato da considerarsi mancato perché il romanzo è scritto da un lirico a cui manca il fiato per una vasta rappresentazione narrativa. Quelli che si rifiutavano a priori il romanzo di Pasternak avevano la stessa opinione, che il romanzo fosse un genere letterario con delle strutture fisse, ossia fissate dai grandi scrittori dell’Ottocento, e i personaggi dovessero essere ben elaborate e precise (la pensava così, p.e., Herling). Ma sicuramente Jurij Zivago non è un personaggio del tipo di quelli di Leo Tolstoj – il principe Andrej. E’ chiaro che se si confronta con personaggi classici di Tolstoj o Dostoevskij, Lara appare sfuocata e Jurij spazzato. Se si rimane fermi agli schemi romanzereschi dell’Ottocento, usando i termini, le definizioni adeguate solo ai romanzi classici, allora si che il “Dottor Zivago” non ha personaggi, non ha unità, non ha coesione di svolgimento ecc.

Cesare Cases non riteneva il “Dottor Zivago” un romanzo veramente grande, perché non dà “la sintesi di un’epoca” [7, 845].


Il critico C. Salinari dichiara di preferire il “Placido Don” di Sciochlov [1]. Secondo Salinari il libro di Pasternak fallisce come romanzo ogni volta che si incontra con la storia perché si muove nell’ambito di una poetica individualistica.

Riccardo Bacchelli ha dichiarato esplicitamente le proprie limitazioni e i propri dubbi circa la validità del “Dottor Zivago”, avendo scoperto nel libro un vizio stilistico e un difetto tecnico. Il primo consisteva, secondo il critico, nella sovrabbondanza di figure e immagini ricercate e preziose, quasi barocche; il secondo era nell’insistenza su incontri e ritrovamenti troppo straordinari e meravigliosi.

Io ho avuto la fortuna di fare la traduzione di una gran parte di articoli e saggi di molti critici letterari italiani della metà del Novecento [20], tra cui il saggio più importante e significativo è sicuramente il questionario proposto ai critici dalla rivista “Il Ponte”. Dall’aprile del 1958 “Il Ponte” ha dato l’avvio all’inchiesta dichiarando la curiosità che si è condensata intorno al libro. Nel determinare i temi della discussione la redazione del “Ponte” ha scelto delle domande formate intorno al libro. Nel determinare i temi della discussione la redazione del “Ponte” ha scelto delle domande da considerarsi mancato perché il romanzo è scritto da un lirico a cui manca il fiato per una vasta rappresentazione narrativa. Quelli che si rifiutavano a priori il romanzo di Pasternak avevano la stessa opinione, che il romanzo fosse un genere letterario con delle strutture fisse, ossia fissate dai grandi scrittori dell’Ottocento, e i personaggi dovessero essere ben elaborate e precise (la pensava così, p.e., Herling). Ma sicuramente Jurij Zivago non è un personaggio del tipo di quelli di Leo Tolstoj – il principe Andrej. E’ chiaro che se si confronta con personaggi classici di Tolstoj o Dostoevskij, Lara appare sfuocata e Jurij spazzato. Se si rimane fermi agli schemi romanzereschi dell’Ottocento, usando i termini, le definizioni adeguate solo ai romanzi classici, allora si che il “Dottor Zivago” non ha personaggi, non ha unità, non ha coesione di svolgimento ecc.

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Pare che conoscessero soltanto tre scrittori classici russi con i quali facevano sempre il paragone, usandoli come l’unico punto di riferimento.

Qualcuno ha definito il “Dottor Zivago” un romanzo decadente dopo avervi incontrato alcuni tipici aspetti e difetti del decadentismo: frammentismo, allusività, dissolvimento dell’io ecc. P.e. Cesare Cases chiamava il romanzo di Pasternak “tipicamente ispirato ai moduli dell’arte decadente” [7, 846] per quanto riguarda la composizione. A parere di Alberto Moravia il “Dottor Zivago” è un romanzo composto nel quale si fondono la tradizione classica e oggettiva (Puschkin, Tolstoj, Cecov) della narrativa russa e il decadentismo europeo” [7, 843]. Però Italo Calvino, p.e., ha rinunciato a usare la parola “ decadentismo” non solo nei confronti di Pasternak, ma anche in generale, per un motivo abbastanza banale che non “ha ancora capito bene che cosa sia, e se sia cosa da biasimarsi o da lodarsi” [7, 717].

Per quanto riguarda la quarta domanda, ossia la posizione del romanzo di Pasternak in conformità con la tradizione sovietica, è chiaro che molti critici e saggisti italiani hanno preferito non rispondere in quanto non si ritenevano competenti in questione. Infatti negli anni ’50 la letteratura sovietica non era assai nota all’estero (salvo l’opera di Sciolokhov, Didinzev e alcuni altri scrittori classici) perciò il contesto sul quale è apparso il romanzo di Pasternak in Italia non era ben chiaro e preciso. Alcuni critici letterari però (Cesare Cases) ne cercavano i tratti antissemitici e ne hanno trovato pochi. “Se non è un romanzo antisovietico, è certo un romanzo che rifiuta, sia nelle concezioni del mondo, sia nell’espressione letteraria, tutte le tendenze del pensiero ufficiale o meno, legate all’esistenza della società e dello Stato sovietico” [7, 849]. Cases in effetti aveva “un sentimento di viva irritazione”, che “debba succedere a chiunque condivida le concezioni e le prospettive del socialismo” [7, 849].

Quant a Cecov, il critico e lo scrittore famoso Carlo Cassola racconta che gli è venuta in mente la vignetta comparsa all’epoca di disgelo in un giornale russo, nella quale gli scrittori sovietici facevano anticamera davanti al gabinetto del dott. Cecov; e lui emetteva diagnosi spietate e prescriveva rimedi radicali. Questa vignetta metteva a nudo quello che succedeva con la letteratura sovietica, cioè che si diceva che Pastermak, di farne le spese, cercavano i tratti decadenti e li avevano trovati pochi. “Se non è un romanzo antisovietico, è certo un romanzo che rifiuta, sia nelle concezioni del mondo, sia nell’espressione letteraria, tutte le tendenze del pensiero ufficiale o meno, legate all’esistenza della società e dello Stato sovietico” [7, 849]. Cases in effetti aveva “un sentimento di viva irritazione”, che “debba succedere a chiunque condivida le concezioni e le prospettive del socialismo” [7, 849].


Alla fine bisogna dire che il “Dottor Zivago” non si presta a ricevere un’etichetta, a essere catalogato, classificato o assegnato a questa o quella tendenza letteraria. Il romanzo di Pasternak è un vero miracolo con il suo specifico fascino slavo, ma con un destino italiano.

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Reflections of the Global Financial Crisis and the Performance of Macro-Economic Development in Kosovo

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Abstract

While it is argued that the global financial crisis have not directly hit Kosovo, however, its economy has felt its indirect effects. Kosovo's economy in 2012 has been increased, but the growth rate was lower compared to previous years. The slowdown in economic progress has been caused due to global economic developments. This is because foreign direct investments and exports declined more pronounced in 2012, while imports also were characterized by slower growth. It should also be noted that increased public investments and remittances have had a tremendous contribution to economic activity. In the context of slow economic growth in recent years and fiscal pressures, Kosovo is faced with the complex challenge of unemployment, which still remains at a high level. The demand for labor is still very low and establishment of a favorable environment that would create sustainable jobs will be a challenging task that requires reforms in the economic policy. Hence, this paper addresses one of the deepest challenges of Kosovo that is domestic economic capacity to generate economic growth. By analyzing the economic factors affecting economic development, this paper identifies barriers and though discusses real opportunities for a better economic growth pattern to finally highlight the recommendations.

Keywords: financial crisis, labor market, economic growth, economic challenges, sustainable development.

1. Introduction

In the context of this paper will be discussed the Reflections of global financial crisis in transition economy of Kosovo. Therefore, from the outset it should be emphasized that now nearly all agree that the origins of the global financial crisis and its main cause or reason was a hard situation with the so-called "bad credit mortgage" (subprime mortgage meltdown) in the U.S. This crisis emerged in 2006, through the phenomenon of "spectacular fall-risk mortgage loans in the U.S.", a phenomenon whose consequences, after February 2007, gradually began to affect many countries and banks worldwide, and later on, in late 2007 and early 2008, to be transformed into the global financial crisis.

In the era of globalization, no country can remain isolated from global economic fluctuations. Heavy losses that suffered many major international banks will affect all countries of the world, as these financial institutions have their investment interest in almost all countries. As the result of that, Kosovo as a country in transition will be also influenced. Therefore, the focus of our research will be the reflection of the financial crisis in Kosovo's economy in transition. The word ‘transition’ means the period in which development must be undertaken comprehensive process, to economic changes and cultural structure of the society. Hence, as the basis of the transition are considered the market and state regulatory. The role of the state should focus on macro-economic contemporary regulation that ensures economic stability and building development policy.

These include: the stabilization of the national currency, the exchange rate, the regulation of economic relations with other developed countries, realization of regional policy, accomplishment of agrarian policy and the environmental and public finances. The state should take over the functions of social imperative, in order to more easily overcome the negative consequences in transition to the market economy. Functioning economic system itself should support democratic institutions, liberal democracy in a transparent society, as well as the internationalization of the economy and the society of Kosovo.

Moreover, the paper is focused on achieving the impact analysis of the financial crisis on the current state of the
economy and businesses in Kosovo, as well as the presentation of research of the effects of the global financial and socio-economic development of Kosovo, and drawing conclusions on the role and importance of measuring the effects of the financial crisis on the economy of Kosovo. Therefore, the paper has been developed based on the experience and the use of materials written by renowned national and regional authors and contains the thoughts and ideas of many scientific papers and studies related to the development of the economies in transition and the effects of the global crisis. Thus, the purpose of the paper is to study and analyze the reflections on the global financial crisis in Kosovo transition economy. On the basis of this research, it will be given specific recommendations.

2. The impact of the crisis on the real sector of the economy

The global economy continues to face one of the largest financial crises in history. The consequences of financial crisis have been reflected in the real sector of the economy, causing one of the biggest global economic crises. In this regard, governments and central banks of the developed countries have been active in taking measures to stimulate economic activity in their countries and recently we are witnessing the first signs of an economic recovery in some economies. Kosovo’s financial sector, the effect of the crisis has not been wide, characterized by a slowdown in lending by banks, while the level of sustainability of the sector was maintained despite the unfavorable circumstances in the international financial sector. Nevertheless, in the Kosovo crisis effects were more pronounced in the real sector of the economy where there is a slowdown in economic activity.\(^1\)

It should be pointed out that macro-economic adjustment in the economy of Kosovo should be based on factors and strengthening institutions of the market economy, in the first place, competition, efficiency, liberalization and regulation of certain economic processes.

**Competition Policy** - Competition policy is the basis of any market economy. This criterion is of strategic importance to the development process in Kosovo. Competition to foreign market and domestic market will put pressure on the restructuring of the economy according to the criteria of efficiency. Taking into account the existing structure of the economy and its consequences in the social development of the population, more effective competition results can give only if combined with a long-term policy development in which is incorporated the policy of intervention. Competition in the domestic market of the Republic of Kosovo should be promoted through the regulation of natural monopolies, public property, phenomenon of bankruptcy and also financial and budgetary constraints. Foreign competition, for instance, its impact on the economy of Kosovo, will be provided primarily through liberalization policy system and relations with the other countries of the world.\(^2\)

Another important point is the activities of the state reduce normality and management in the segment of cooperation with other foreign counties. This exposure will enable the establishment of new partnerships with international financial institutions, and will create the institutional prerequisites for the identification of new sources in the financing of economic development, particularly, of transition reforms.\(^3\)

In other words, it should be noted that the real sector of the economy in the country in early 2011 can be considered as positive, in terms of economic activity in Kosovo. Forecasts of the International Monetary Fund (IMF) point out that real economic growth in 2011 was 5.0 percent, which represents a slight increase compared with the previous year. Real GDP growth in 2012 reached a rate of 3.8 percent, while the main carrier was public sector growth through capital investment. SMEs contributed in GDP and served as promoters of development, which are presented below.

**Table 1. Contribution of enterprises in GDP**

<table>
<thead>
<tr>
<th>Size enterprise</th>
<th>Number of enterprises</th>
<th>Currency (€)</th>
<th>GDP(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>14,968</td>
<td>656,885,164.33</td>
<td>16.79</td>
</tr>
<tr>
<td>Small</td>
<td>1,210</td>
<td>667,585,914.82</td>
<td>17.07</td>
</tr>
<tr>
<td>Medium</td>
<td>185</td>
<td>369,455,655.16</td>
<td>9.44</td>
</tr>
<tr>
<td>Large</td>
<td>58</td>
<td>528,558,359.84</td>
<td>13.51</td>
</tr>
<tr>
<td>Total</td>
<td>16,421</td>
<td>2,222,485,094.15</td>
<td>56.81</td>
</tr>
</tbody>
</table>

*Source: Annual report of SME, 2011*\(^4\)

\(^1\) UNDP Report, Development and Transitions-alb, 2011


\(^3\) Ibid

\(^4\) MTI, Agency for SME support, Report on SME-s, 2011, pg.24
The private sector contributed to economic growth through increased consumption, while private investment was characterized by similar developments with the previous year, a positive but slowing trend. All private consumption growth, the impact of this sector on economic growth was lower than in previous years. The increase in 2012 has been significantly limited by the position of Kosovo in the foreign sector, especially, in the context of exports and foreign direct investment, and remittances were characterized by positive growth rate in Q4 2012. Price performance, as measured by the consumer price index (Consumer Price Index: CPI) during Q4 2012 was characterized by moderated inflation regardless of annual price growth reached 3.7 percent, while the average annual inflation rate for 2012 amounted to 2.5 percent.5

The same situation, as in previous years, were the prices of imported products have had major impact on the inflation rate in Kosovo. By September 2012, import prices increased by 5.8 percent compared to September 2011, while producing prices were more stable recording an average growth rate of 0.8 percent. An encouraging fact of the economic activity in the country is the change of the weights and participating of various categories in the consumers’ shopping basket, such as food products that have a very high participation. In 2012, the share of food products decreased to 37.8% of the total consumer basket than in previous years when the weight of this category was 42.7 percent. This change reflects the improvement of living standards in Kosovo considering the higher consumption of other non-food categories.6

This change in structure can also be regarded as a positive development in terms of overall price stability in the future, given that food prices are characterized by large movements, while their high weight, in general reflected price level in Kosovo. During 2012, the number of newly registered businesses increased by over 20 percent, reaching 2261 new businesses, which represents the largest number of new businesses registered in the past four years. The closure of businesses also had relatively high growth rate (16.7 percent) compared to last year with a total of 334 closed businesses. The ratio between closed and new businesses in 2012 was 11.2 percent, which is the lowest rate in the past four years.7

Based on the economic activity of registered enterprises, we note that the dominant category continues to be a trade which has a participation in new enterprises by 31.3 percent, despite the reduction in participation compared to other periods. This comes as a result of the acceleration in the growth rate for the enterprises of other sectors, particularly; more pronounced progress of enterprises in the agricultural sector amounted to 8.3 percent from 4.1 percent in the previous year, then 10.3 as processing industry and construction in 9.7 percent.8

Enterprises registered for the activity of real estate, transport and telecommunications, and storage as well as hotel and restaurants had an impact, relatively similar to previous years. The general implications of this change in the structure of the enterprises are expected to be positive for the country’s economic activity, especially, when considering the ability to add these sectors enterprises. Increasing the overall level of consumption and investment in the country is expected to be supported by public spending, which is expected to continue the trend during 2013. Inflationary pressures were present in Kosovo’s economy in 2012 and still continue to be in 2013. This pressure on the general price level derived primarily from global movements of prices for food products and oil derivatives, which in Kosovo transmitted through prices of imported goods, expressed through the Import Price Index (Import Price Index: IPI). The level of correlation between the CPI and IPI is close to 0.7, implying a very similar behavior between Kosovo consumer prices and import prices. On the other hand, producer prices have been relatively stable and their impact on the overall price level in Kosovo has been estimated as appropriate.9

It should also be emphasized that monetary policy is the main point credit for creating macro-economic stability and achieving convertibility in the conditions of the transformation and integration into the economy of Kosovo. Through monetary aggregates and other mechanisms, it will be maintained the currency stability and also, will be ensured the implementation of a political offensive development of Kosovo. This policy will be supported and implemented in terms of consolidation of trade balance, balance of payments and foreign debt servicing. The Central Bank will have a rigorous impact especially, in the segment of quantity of currency. Rigorous financial discipline and competition from abroad ensures monetary stability. This system should be compatible with the fiscal system, because it creates the preconditions

5 Increased participation in the consumer basket has been noted in categories such as, household furnishings and equipment maintenance, transport, communication tools, recreation and culture, as well as restaurants and hotels.
7 Ibid
8 Ibid
for the operation of the laws of the market economy and the establishment of ‘rules of game’ for all development indicators.

3. Fiscal onsets and macro-economic policies in Kosovo

After 1999, fiscal policy in Kosovo has been based on revenue and government spending in achieving certain economic and social goals, and to influence the macro-economic indicators. Through fiscal policy are used income and public expenditure for the implementation of economic policy. 10

Budgetary and fiscal policies - fiscal and budgetary policies represent important mechanisms, they are defined as pyramid of responsibilities and authorities in the governance of financial flows in the economy of Kosovo, taking into account the requirements and strategic needs of the economy, population and the country. Fiscal policy consists of the respective shares of the government to change the level and composition (structure) of public spending and revenue from taxes and fees. 11

However, during the implementation of the Kosovo budget management, special attention should be made on the elimination of sources of inflationary impacts, such as: financing deficit and budget deficit problem. Budgetary policies should be integrated and matched to fiscal policy because only then can be created equal preconditions for the realization of economic activity of economic entities. 12

Price Policy - The declaration of Kosovo Independence has increased new fiscal pressures/onsets for the government at a time when the prospects for greater direct investment and exports were falling. The new economy has been left dependent on public spending to mitigate the effects of the fall and to maintain indirectly a moderate level of economic growth. The budget surplus that has accumulated the Kosovo government in the past due to small or insufficient accumulative capacity, among other reasons, administrative inefficiencies that is used to increase capital spending budget which includes investments in the energy sector, transportation, agriculture, construction of schools, and other infrastructure improvements.

As a new state, Kosovo has also other expenses such as the full consolidation of the Ministry of Foreign Affairs, including new embassies, security and minority programs, etc. The focus on financing some of the new programs, are expected to push the budget balance in deficit. Annual budget deficit of 2008 was lower, while the 2009 budget deficit is expected to reach about 7% of GDP. Despite the prescription of the International Monetary Fund (IMF), the government decided to increase the salaries of public employees by 10% from January 2009. 13

While this increase of salary can improve the quality of their work, promote the integrity of government, etc. It does not warn the achievement of sustainable fiscal framework, in particular when considering the recent capital expenditures and problems with high quasi-fiscal deficit of the energy sector. Lower stimulation for tax evasion can improve their collection, however, since this tax reduction policy went into effect in early 2009, when public investment was already low, the effects of this tax base and fiscal reform revenues are not entirely clear. Government projected revenue figures suggest a substantial financial vacuum in the next few years in order to meet the objectives of economic growth with government capital expenditures. Ministry of Economy and Finance has planned a total financing gap of approximately 300 million Euro (2009-2012) with donor contributions or borrowing that are expected to fill this gap. 14

Thinking about the precariousness of the fiscal deficit and high projected costs, is important to remember, that one of the most impacted features of the Kosovo economy is Euro - fiscal policy instrument for intervention. While fiscal pressures, outlined above are not atypical for many countries in transition, not all developing countries are limited into the fiscal domain. For Kosovo, it has some substantial political implications. Against the fact that the effects of the recent global economic crisis were minimal in Kosovo, some important lessons for the fiscal policy to respond to future economic shocks are (i) to improve the quality of existing savings and reduce non-essential spending to ensure solvency of the government to protect the real economy from future external/foreign shocks (ii) to increase the minimum stabilization fund reserves to reflect the size of the economy (iii) to gain benefits policy-making by developing a government debt market as an alternative instrument to provide more flexibility for the government. 15

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12 UNDP Report, Development and Transition, alb, 2011
14 Ibid
15 Ibid
4. The impact of the crisis on the financial sector in Kosovo

It can be argued that the overall slowdown of activity in the economy of Kosovo was reflected in the financial sector. In Q4 2012 Kosovo’s financial sector recorded weaker results compared with the previous year. At the end of 2012, the assets of the banking system amounted to 2.8 billion Euro, an increase of 6.8 percent, which represents an increase lower compared to the same period last year when it was registered an increase of 7.9 percent. While the banking sector continued to have a high level of stability despite negative developments in the international financial sector as a result of financial crisis.\(^{16}\)

Although, deposit growth rate was higher than the rate of credit growth, banks proved to be more cautious in lending to the economy. In Q4 deposits of the banking system amounted to 2.27 billion Euros, an increase of 3.8 percent compared with Q3. Recorded an increase of 0.2 percent loans reached 1.76 billion Euros, which represents a slight increase compared to Q3 when the increase was negative. Throughout the year 2012, banks were lending oriented households compared to lending to enterprises, where it can be seen that lending to enterprises recorded an annual growth of just 3 percent, compared with annual increase of 6.2 recorded the household sector. Statistics reported by the banks rely on the result of a survey conducted by the CBK of banks operating in Kosovo. Based on the survey results, during the year 2012, it appears that banks reported reduced demand for loans by enterprises, and increasing demand from households. Also, banks reported a ‘buckle’ of standards and criteria applied in the lending process for both categories. Furthermore, intended for trade loans continue to dominate and be one of the highest increasing categories. At the end of 2012, loans to the retail sector reached a value of 635.3 million compared to 606.2 million Euros in the same period last year. While the agricultural sector, although there is an almost equal participation in the trade sector composition of GDP (in 2011, agriculture accounted for 14.1 percent and trade 14.5 percent of GDP), compared to agriculture lending trade sector continues to be much lower. However, the highest number of newly registered enterprises in the agricultural sector, as well as increased agricultural subsidies by the government, could improve the prospects of this sector, making this sector to be more attractive to both lending by the banking sector.\(^{17}\)

The performance of the banking system in Kosovo continues to be positive, but there is a lower profitability of indicators compared with the previous period. Moreover, it may be noted that the return on average assets (ROA) and Return on Average Equity (ROAE) declined. Total profit of the banking system in 2012 almost halved to 19.2 million Euros from 36.6 million Euros as at the end of 2011. Out of a total of 9 banks operating in Kosovo, 5 reported a positive net profit, while 4 reported negative net profit. Major impact in reducing the profitability of the banking system was the deterioration of the credit portfolio was reflected in increased costs to cover losses from non-performing loans with provisions. For this period, the ratio of non-performing loans (Non-Performing Loans: NPL) and total loans amounted to 7.5 percent from 7.0 in September 2012. Despite the increased level of non-performing loans, banks continue to be conservative in maintaining coverage NPL by provisions for loan losses. In December 2012, the index stood at 112.7 percent.\(^{18}\)

Regarding the level of liquidity in the banking system, the banks proved to be quite careful to keep reserve rate at a higher level than the level required by the Central Bank. Also, satisfactory liquidity situation determined by the ratio of loans to deposits of 77.4 percent, and assets "broad" in relation to the total liquid assets of 32.5 per cent. Kosovo’s banking system remains well capitalized despite the slight fall Capital Adequacy Ratio (Capital Adequacy Ratio: CAR) 3, which was decreased from 18.8 percent in December 2011, at 17.9 percent in December 2012. In late 2012, the total capital of the banking system amounted to 310.9 million Euros, marking an annual increase of 3.7 percent, while the risk-weighted assets (Risk Weighted Assets: RWA) increased by 1.7 per cent, standing at 1.73 billion Euros. During 2012, the banking system was added another bank. It should also be pointed out that in November; the Central Bank of the Republic of Kosovo approved a license for a new bank with Turkish capital, "Turkije Is Bankasi AS" which raised the total number of banks in Kosovo to nine.\(^{19}\)

With all the constant development, the function of commercial banks operating in Kosovo continues to be essential, mostly concentrated in lending to the local economy, being funded by deposits collected within the country. This has meant that commercial banks operating in Kosovo do not have high levels of exposure to the external/foreign sector, and

\(^{16}\) Luboteni, Gazmend, "Bank Management", pg.43, Prishtinë, 2008.
\(^{18}\) Central Bank of Kosovo, Financial Stability Report, No. 3., 2012.
\(^{19}\) Ibid
financing through deposits collected in the country has made the level of lending in Kosovo should not be dependent on
the supply and cost of funds in the foreign sector. Therefore, the most important development of the current banking crisis is the transmission of the crisis to the rest of the economy and its interaction with the general economic crisis arising currently. Additionally, the most obvious issue here is the beginning of the recession. The main reason for the recession is the dependence of consumer demand in particular business investment but also high levels of debt over the last two decades. Considering the current developments can be said that the banking sector is shown to be ‘immune’ to the global financial crisis. However, due to the extent of the ongoing economic crisis, it is expected a slowdown in economic activity in Kosovo, with possible negative implications for performance of banking sector. Hence, while respecting the principles of lending, the extension of credit at this time, while respecting the principles of good lending, is a very important factor to stimulate economic activity and to avoid some extent negative effects of the crisis.

4.1 Security companies

Based on the latest available data of insurance companies, it is suggested the expansion of activity in this sector. In late 2012, the value of premiums received amounted to 81.5 million euro, recording an annual increase of 4.4 percent. Meanwhile, during the same period last year, claims paid amounted to 30.6 million Euros, marking an annual increase of 25.1 percent.

4.2 Pension funds

In 2012, Kosovo Pension Savings Trust (KPST) has recorded a positive performance, compared with the previous year. Total value of fund assets under management amounted to EUR 739.8 million (December 2011, 593.3 million), while the stock price was 1,117 euro per share (December 2011, 1,034 euro per share). Total return on investments made in 2012 was 8 per cent, or 54.2 million Euros.

4.3 Microfinance institutions

During 2012, the performance of MFIs decreased in all reported indicators. Total loans issued by MFIs decreased continuously in 2012, where in December amounted to 98.8 million Euros from 104.7 million as it was in December 2011 (an annual decline of 5.6 percent). Despite the high rates of interest during this period, IMF-t recorded losses of $ 4.5 million (in 2011 recorded a profit in the amount of 0.9 million Euros).

4.4 Capital market

Also, market treasury bills of the ‘Government of Kosovo’ that began in January 2012, represents the only component within the equity market in country. During Q4 2012 were held 3 auctions, which have had offered the amount of 10 million Euros with a maturity of 91 days. Of these amounts, 10 percent of the total bids were not competitive, while the rest were competitive. Bidding primary stakeholders in each round exceeded the amount offered by the Treasury an average of 2.1 times during Q4 2012. Auctions current interest rate is characterized by a steady decline reaching 1.08 percent in December, the lowest level of all year. Overcoming treasury supply of primary indicators bidding for 2.1 times, on the other hand, continued decline in the rate of interest in each auction, which can be considered as important reflection on the financial sector, fiscal and real economy. From the perspective of the financial sector, higher bidding reflects satisfactory liquidity in the banking system and banks' tendency to use free tools also better diversify their investment portfolio. In the context of the fiscal sector, the

23 Ibid
decline continued interest rate reflects the confidence of financial institutions in the government's fiscal stability of the country. Real sector, bidding banks with low interest rate reflects the lack of absorptive capacity and private sector investment projects. This is because the banks continue to have the capacity to invest in treasury bills with a relatively low rate of interest against lending to the economy, which is characterized by a relatively high rate of interest.

5. The impact of the crisis on the foreign sector

Under the current arrangement as euro economy, Kosovo has the Central Bank for conducting monetary policy and absorbing the effects of foreign shocks, which means setting the nominal interest rate to stimulate general demand. Once the effects of the recent global crisis has been minimal for Kosovo, this does not mean that it will continue to be the same situation in the future, especially, since Kosovo aims to increase the entry of foreign capital and become more integrated into global trade. An effective alternative to the lack of flexibility is to reduce non-essential spending and focus more on the quality of spending, building stabilization potentiality or resources and development of government securities market, at the appropriate time.26

According to some trade statistics that are published by the CBK, shows that, since September 2012 have undergone methodological change as a result of the exclusion of statistics for electricity trade in total trade activity. However, with the available data, the current account deficit in Q4 2012 amounted to 574.1 million Euros as a result of imports valued at 641.2 and exports of 67.1 million Euros. However, despite unusually high energy trade statistics, current balance of payment during Q4 2012 has been decreased by about 10 percent, which simultaneously represents significant decline of the post-war period. By the end of 2012, exports of goods amounted to 269.3 million Euros, while imports of goods amounted to EUR 2.5 billion, making the coverage of imports with exports to reach a rate of 10.8 percent.27

Foreign trade statistics consistently show high trade deficit, exports of products and services are estimated to be 8.2% of imports during the last ten years. Whilst, according to yet uncompleted official data by the same source, exports in 2012 covered imports by10.8% only.28

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
<th>Balance of payment</th>
<th>Export /Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>10,559</td>
<td>684,5</td>
<td>-673,941</td>
<td>1.5%</td>
</tr>
<tr>
<td>2002</td>
<td>27,599</td>
<td>854,758</td>
<td>-827,159</td>
<td>3.2%</td>
</tr>
<tr>
<td>2003</td>
<td>35,621</td>
<td>973,265</td>
<td>-937,644</td>
<td>3.7%</td>
</tr>
<tr>
<td>2004</td>
<td>56,567</td>
<td>1,063,347</td>
<td>-1,006,780</td>
<td>5.3%</td>
</tr>
<tr>
<td>2005</td>
<td>56,283</td>
<td>1,157,492</td>
<td>-1,101,209</td>
<td>4.9%</td>
</tr>
<tr>
<td>2006</td>
<td>110,774</td>
<td>1,305,879</td>
<td>-1,195,105</td>
<td>8.5%</td>
</tr>
<tr>
<td>2007</td>
<td>165,112</td>
<td>1,576,186</td>
<td>-1,411,074</td>
<td>10.5%</td>
</tr>
<tr>
<td>2008</td>
<td>198,463</td>
<td>1,928,236</td>
<td>-1,729,773</td>
<td>10.3%</td>
</tr>
<tr>
<td>2009</td>
<td>165,328</td>
<td>1,935,541</td>
<td>-1,770,213</td>
<td>8.5%</td>
</tr>
<tr>
<td>2010</td>
<td>294,031</td>
<td>2,139,534</td>
<td>-1,845,503</td>
<td>13.7%</td>
</tr>
<tr>
<td>2011</td>
<td>313,106</td>
<td>2,479,611</td>
<td>-2,166,505</td>
<td>12.6%</td>
</tr>
<tr>
<td>2012</td>
<td>269,000*</td>
<td>2,489,000*</td>
<td>-2,220,000*</td>
<td>10.8%*</td>
</tr>
</tbody>
</table>


Also, remittances as one of the most important components of the balance of payments, in September 2012 amounted to 436.7 million Euros compared to September 2011 represents an increase of 2.0 percent. Increased remittances in Kosovo is considered to have been consistently anti-cyclical behavior when one considers that the opposite behavior with other macroeconomic indicators most of which during this period was characterized by slower or negative developments. As another component of great importance in the context of the balance of payments, is also FDI, which until September 2012 reached a value of 167.0 million Euros, according to official data. FDI flow to Kosovo has been declining from year to year given unfavorable business climate around the globe. Today, Kosovo is facing fierce regional competition in

attracting more FDI. According to the World Bank statistics, there has been a 30% decrease in FDI flows from 2007 to 2010 in Kosovo, or from $ 603,224,093 to $ 413,401,759. This trend continued throughout last year.\(^\text{29}\)

However, compared with the same period of the previous year, FDI decreased substantially from 41.3 percent. The decline of FDI in addition to the deterioration of the overall economic environment in Europe, mostly addressed to the slowdown of the privatization process in 2012.

![FDI inflows in Kosovo](image)

**Source:** World Bank, april 2012

Moreover, it’s worth mentioning that in addition to the effect of the downturn which affects employment generation in the country, in 2012, changing the structure of FDI is not in favor of employment growth regardless of the sectors that mostly generate FDI sectors that do not have large space in the increasing of employment. This is because real estate has doubled in FDI participation, and primarily consists of the purchase of real estate by non-residents in Kosovo. Therefore, in order for the country progress, Kosovo needs to assure a more suitable “climate” for FDI, offering complete security, developing policy, and also decreasing taxes.

### 6. Conclusion and Recommendations

Kosovo as a state in transition, still faces the effects of the global financial crisis, and also will be facing them in 2013. While it is argued that the global financial crisis has not directly hit Kosovo, its economy has felt its indirect effects. The effects of the financial crisis in our country can have effects on remittances. It is also worth mentioning that donor countries have been reluctant to increase their support for Kosovo because of internal problems; dramatic increase in unemployment in Europe and in the U.S., has affected the Kosovars living abroad. Subsequent decrease in remittances from Kosovars living outside the country is likely to have a negative impact on the economy of Kosovo in general. The money send from abroad in Kosovo are as the only source of income for many families, since unemployment remains yet at a very high level.

Kosovo also might face negative effects in terms of foreign investment in our country, as many powerful economies are afraid to enter a phase of recession due to the financial crisis. Therefore, particular problem in the economy but also in the country's financial system affects the reduction of foreign investment in Kosovo, as well as Kosovo's trade deficit and many other factors that are the cause of the crisis and are isolated many transition countries such as Kosovo. Moreover, the trade deficit is still very high with only 10% of exports covering imports is also affecting the economy of Kosovo.

Whilst, Euro currency has offered the financial sector an extra degree of credibility. It has also eliminated the possibility of the bankrupt of banks and speculative attacks on the domestic currency. With the euro currency, Kosovo has passed the risk of incongruity of currency debt, which provides useful flexibility in the future. It should also be pointed out that the fiscal policies in Kosovo, despite the fact that the effects of the recent global economic crisis were minimal in Kosovo, important lessons for fiscal policy to respond to future economic shocks are:

1. to improve the quality of savings existing and reduce non-essential spending to ensure the solvency of the government to protect the real economy from future foreign shocks;
2. to increase the minimum stabilization fund

reserves to reflect the size of the economy; (iii) to gain benefits policy-making by developing a government debt market as an alternative instrument to provide more flexibility for the government.

In our opinion, a better political consensus should be available for resolving the financial crisis. We have thought that the solution to the crisis is more of an art than a science. Solving the crisis requires authorities to take into account not only the economic, but also political and social environment. The solution should not be based on ideological dogma of any kind, but should be based on real politics. Kosovo should be directed to build economic system according to the requirements of an economy open to European and world market. The economic system that creates a suitable environment for the integration of the economy on the region and beyond it, stimulating economic cooperation and encourage joint investments with foreign partners would need to be enhanced. The role of government should be focused on contemporary macro-economic regulation, which include: the stabilization of the currency, the exchange rate, regulation of economic relations with the world, the establishment of regional policy, the establishment of agrarian policy, the environmental and public finances as well.

Finally, the Republic of Kosovo is facing with many transition challenges, therefore the government has a lot of work to do. It is needed a greater commitment of all relevant factors such as: the Government, the civil society and businesses to consolidate in macro and micro economic terms. It should take the lead of pushing forward the process of economic development and must take responsibilities. In this process, it needs strong international support, mainly from the EU. Government of Kosovo and the international community led by the EU should work together to ensure that limited funds are best utilized availability having more focus, better delivery and better absorption. If Kosovo sooner pretends to be part of EU, the EU in Kosovo should play a more meaningful and important role.

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Xiangqin Wave: A Close Look at Modern Chinese Dating Culture

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Abstract

This is an empirical study of how conventional practice of Xiangqin (matchmaking) revives and forms a specific dating culture in modern China. Individuals' concrete experience of participating in various new forms of Xiangqin (i.e. commercial matchmaking websites and offline fairs, high-end matchmaking clubs, marriage-hunting services, matchmaking TV shows) are investigated. Through the perspective of commodification of intimacy and gender politics, the study argues that modern Chinese dating culture are symbolically and practically shaped by the commercial society. Apparently, the intersection between economics and people’s intimate interactions perpetuates class divisions in current China. The commercialization of Xiangqin also reinforces gender stereotypes. Nevertheless, it also contributes to women empowerment at the same time. A dating culture penetrated by market value creates conditions for women's increased sense of autonomy, greater control over intimate relationship, and equality between the sexes.

1. Introduction

In mainland China, the term “Xiangqin” (matchmaking) has been overwhelming during these years (Jing, 2011). The numerous media reports, the rapidly-growing matchmaking industry (Li, 2011), the high-rating matchmaking reality TV shows (Li & Liu, 2011), and the crowded parents’ corners in parks in many Chinese cities (Zhao, 2010) all indicate that almost every Chinese people are involved in a Xiangqin wave. As a traditional Chinese courtship practice which has more than 1000 years of history, Xiangqin comes back in modern Chinese life and becomes popular in many cities. Chinese heated issues of Xiangqin has also received world-wide attention with news like the indigenous commercial matchmaking website Zhenai.com has already become the world's largest matchmaking website by number of registered members. Although the convention form of Xiangqin (i.e. a one-to-one arranged date) still exists and is accepted by some people, under the circumstance of market economy, many new forms Xiangqin emerge (i.e. commercial matchmaking websites and offline fairs, high-end matchmaking clubs, marriage-hunting services, matchmaking TV shows) and become popular among single individuals. This phenomenon gives rise to a specific dating culture within the context of Chinese modernization.

2. Literature review

This study draws on theory of commodification of intimacy to understand modern Chinese dating culture reflected through the above-mentioned Xiangqin wave in China. The concept of commodification of intimacy has its roots in economic sociology, which challenges the traditional sociological distinction between money and intimacy as two separate spheres. As Millman (1991: 4) put forwards, in a market economy, money ‘insinuates itself into even the most intimate setting’. Along the same line, Zelizer also argues that ‘the logic of the marketplace has increasingly penetrated our most intimate social relations of family and community’ (Zelizer, 1997: 215). According to her, people ‘all use economic activity to create, maintain, and renegotiate important ties - especially intimate ties - to other people’ (Zalizer, 2005). Likewise, Illouz (2007) rejects the dichotomy of economics and intimacy, arguing that in current society, “economic relations have become deeply emotional, while close, intimate relationships have become increasingly defined by economic and political models of bargaining, exchange, and equity”. Extended from these early works, Constable (2009) mentions that “intimate

1 Source from http://traditions.cultural-china.com/en/14Traditions7663.html
and personal relations become increasingly and more explicitly commodified” in modern society. She gives a more detailed argument about commodification of intimacy, which refers to “the ways in which intimacy or intimate relations can be treated, understood, or thought of as if they have entered the market: are bought or sold; packaged and advertised; fetishized, commercialized, or objectified; consumed or assigned values and prices; and linked in many cases to transnational mobility and migration, echoing a global capitalist flow of goods” (Constable, 2009).

Specifically, academics have noted the relevance of economic theories to the understanding of dating and partner selection for a long time. Scholars in various fields have utilized economic-based models as analytical frameworks to study relationship initiation and to explain people’s overall partner selection behavior (e.g. Becker, 1973; Bernard, et al., 1991; Edwards, 1969; Hirschman, 1987; Takeuchi, 2006). There are also a few existing studies which contextualize people’s partner selection in a commercialized and efficiency-oriented dating culture given rise by contemporary consumer society (e.g. Ahuvia & Adelman, 1993; Coupland, 1996; Jagger, 1998, 2001; Heino, et al., 2010; Li, 2011). These literatures provide us important perspectives to understand how individuals draw on cultural resources provided by commercial society to create and maintain intimate relationships with others. However, I hold that equal emphasis should also be put on how certain social, cultural, economic values are coded and staged through individual’s practices of intimacy in a consumer society. In the present study, I would look beyond the influence of market economy and invites other factors such as gender, class, and cultural context in the analysis of women’s lived experience of participating in Chinese current Xiangqin wave.

3. Methodology

Situated in Guangzhou, a southern Chinese city where China’s economic opening-up was first implemented and influence of commercial culture is omnipresent, the study is based on in-depth interviews with 36 women aged from 24 to 38. Their concrete experience of participating in various newly emerged forms of Xiangqin in contemporary China is investigated. Through the perspective of commodification of intimacy and gender politics, the study looks into how commercial society shapes modern Chinese dating culture and creates conditions for the rising of new Chinese femininity.

4. Findings and analysis

4.1 Partner selection as a shopping experience: what are the options?

Since its inception in mid-1990s, dating websites have rapidly increased in popularity around the world (Callsen, 2013). The advent of the Internet has led to a sizeable increase in the number of options from which one can choose as potential mates (Lenton, et al., 2010). Technical advancement facilitates people’s interaction, providing possibilities to expand one’s social network and the pool of eligible with low cost and high efficiency.

The situation in China is no exception. However, instead of ‘dating website’, both Chinese users and service companies often use the term ‘matchmaking website’ (Xiang qin wang zhan) or ‘website for love and marriage’ (Hun lian wang zhan) which seems to imply a more serious attitude and greater legitimacy. The earliest Chinese matchmaking website, zhenai.com, was found in 1998⁴. In contemporary China, according to statistics⁵, zhenai.com, jayuan.com, marry5.com, and baihe.com are the mainstream matchmaking websites in terms of number of registered members, market share, and number of page views. All of them are commercial websites with their own revenue models⁶ such as offering free search but charging users to communicate, categorizing users according to membership fees and enabling them to use relevant advance features of the website, and providing customized matchmaking services. The cost for using basic features like sending and receiving emails ranges from 198 yuan to 499 yuan per year⁷. Among these mainstream websites, zhenai.com only provides one-to-one matchmaking service; the cost of online service is 3999 yuan for four months⁸ (offline customized matchmaking belongs to marriage hunting service, which is discussed in later section).

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⁴ Source from: http://wenku.baidu.com/view/7883618c6529647d2728528b.html?from_page=view&from_mod=download
⁵ Source from: http://wenku.baidu.com/view/212bf719650e52ea55189877.html
⁶ Source from: http://wenku.baidu.com/view/7883618c6529647d2728528b.html?from_page=view&from_mod=download
⁸ Source from: http://profile.zhenai.com/lovestory/indexhznnone.jsp
Derived from online services provided by matchmaking websites, currently there are many newly emerged forms of matchmaking activities such as commercial matchmaking fairs, marriage hunting services, high-end matchmaking clubs, and matchmaking TV shows. Most of these activities are organized or co-organized by the above-mentioned mainstream matchmaking websites.

Matchmaking fairs are offline activities held by major commercial matchmaking websites such as zhenai.com and jiayuan.com for its registered members. Most of these fairs are held in big cities; they take various forms and attract a large number of participants. Li, former host of matchmaking fairs provided by jiayuan.com, introduces:

Jiayuan.com has four branches in China. Beijing branch is in charge of (activities in) northern China, Shanghai branch eastern China, Chengdu western China, and Guangzhou southern China. In these four major cities, we hold matchmaking fairs twice a month; for other cities, such as Ganzhou (a city in Jiangxi province), one in every two months. All these fairs are organized for members of our websites and we charge them entrance fee every time. There’re at least 120 or 130 participants in every fair; sometime there’re around 700 people. Activities are in various forms. The simplest one is gathering in a banquet hall; the host leads people to play some games. Sometime we organize karaoke, buffet, cocktail party, excursion, hiking, picnic, self-driving tour, horse-riding, etc.

Despite a wealth of activities and the maximized possibilities of meeting ‘the one’ brought by them, some people complain that the quality of pool of eligible are impaired by the large amount of participants. Several interviewees even reject to attend such activities because they simply do not believe they could find a suitable partner among a sea of faces. For example:

The first fair I went to should be the most low-level one. The fair was held in a new estate; maybe it's also for the new estate's advertisement or something, so we didn’t need to pay the participation fee. Because it’s free, there’re so many people. Many men in that fair didn’t look decent. Some wore creased clothes; some wore suits, but their suits were either too big or too small; some carried awkward-looking bags. I realized right away that I couldn’t find my ideal partner in such activities. (Wei Wei, 28)

Many men who attend such fairs didn’t have good manner, let alone a good economic background. Let me give you a simple example. I once attended a fair like this; there’re a lot of people, around 200. Then I saw some men always complained; they were picky about everything: the air-con wasn’t strong enough, the food wasn’t tasty, there weren’t enough drinks, ladies in the fair weren’t attractive, staffs weren’t attentive, so and so forth. I think tolerance and good manners should be the basic characteristics for a man. (May, 25)

I’ve never attended those fairs. Every time there’s a poster for such fair on the website, I would take a look at it. You could click into the registered participants’ personal page and see who’s attending the fair. Most of them have photos in their pages. I often found that there’re much more women than men participants. There’re already not enough men; then when I looked at those men’s photos, aiya! Most of them looked like pigs. Thus I know it’s impossible for me to find someone on those fairs. (Shan, 30)

No, I won’t attend (matchmaking fairs). There’re so many people there; you don’t know all of them at all. How can you find someone among a sea of people? (Huochai, 26)

In respond to feedbacks and demands like these, high-end matchmaking clubs and marriage hunting services are initiated. Messages of these advanced services are usually posted on the front page of major matchmaking websites with eye-catching headlines and pictures. Zhang, a matchmaker who used to work for jiayuan’s ‘elite club’, further introduces members and fees for such advanced service:

The ‘elite club’ is established for single people with decent background. There’re 50 men and 50 women in the club. Quality of these members is not bad; after all, they need to pay certain amount of membership fee. There’re three categories of fee: 1000 yuan for a trail club activity; 2000 yuan for two activities; 5000 yuan for a year’s activities.

Besides high-end and small-scale social gatherings, organizers also provide customized marriage hunting service for an even smaller group of people. Many of these customers will attend the high-end parties; some of them require strict confidentiality of their personal information, and they only accept one-to-one arranged meetings. Without doubt, the cost and threshold are much higher:

The cost of (zhenai.com’s) offline customized service, the minimum is 30,000 for half a year. For similar service of jiayuan.com, in the past it’s 30,000; now is 40,000. (Zhang, former matchmaker of jiayuan.com, currently works as a marriage consultant specialized for marriage hunting service in zhenai.com)

There’s threshold for our club. The fee for male member is 200,000 yuan a year. We’ll organize four high-end activities for them. They can attend the first one for free; for the rest three ones, they also need to pay some money. (Li, former host of jiayuan’s matchmaking fairs, currently works as manager of China Entrepreneur Club for Singles)
Matchmaking TV shows such as ‘If You Are the One’ (非诚勿扰, Fei cheng wu rao), ‘Let’s Date’ (我们约会吧, Wo men yue hui ba), and ‘One in One Hundred’ (百里挑一, Bai li tiao yi) have emerged in recent years and become extremely popular in China. Take the most well-known one, ‘If You Are the One’ which began airing since 2010 in Jiangsu Satellite Television, as an example, it received about 10,000 applications during the first month since it operated. And within two months, its audience rating has rocketed to the top (Li, 2011); news even suggest that with some 50 million watching every episode, the rating of this program once seconded only to the China Central Television’s evening news broadcast Xinwen Lianbo9. Cooperation with mainstream matchmaking websites such as zhenai.com, jiayuan.com, and baihe.com is the major way for these TV shows to recruit participants. When browsing the front pages of these websites, one can easily find relevant sections which lead to applying for different matchmaking TV shows. Information posted in such sections also indicates that the whole interview and selection process in several major cities for participant recruitment is organized by companies of these matchmaking websites. When the TV show is broadcasted, the host emphasizes clearly which candidate is recommended by which matchmaking website as well. Therefore, the influence of matchmaking websites on almost all later emerged form of Xiangqin is very conspicuous.

4.2 Market values embedded in Xiangqin

Influence of commercial society and market value are apparent in the current study on Xiangqin in contemporary China. The level of a matchmaking service and relevant activities it includes are graded by money. The use of economic metaphors are quite frequent in both service providers’ and customers’ descriptions of relevant issue.

There are different kinds of Xiangqin activities...The level is determined by the fees...Different activities require different thresholds. This is about market. (Li, former host of jiayuan’s matchmaking fairs, currently works as manager of China Entrepreneur Club for Singles)

In fact, many people are willing to join the ‘elite club’. After all, thresholds of entering the club can guarantee something (Zhang, former matchmaker of jiayuan.com)

I’ll check my mailbox (of matchmaking websites) every now and then. Actually I’m not very hopeful; just want to have an idea about the (marriage) market and what kinds of people are on the market. (Shan, 30)

Ai, all those (matchmaking) websites are money-oriented, right? But if I’m still single at the end of this year, I’ll have a try. (Yo Yo, 29)

Many interviewees also have the assumption and observation that the more a service costs, they better quality it will guarantee. Some of them even emphasize that they do not want to waste their time on free-of-charge or inexpensive matchmaking services and activities. Rather, they are willing to pay more in exchange of a better pool of eligible.

I’ve been to many matchmaking fairs; the fees ranged from 200 yuan to 400 yuan. Overall, the more it costs, the better quality of participants. (Lan, 29)

I never trust those activities (which are free of charge). Those male participants are not good. Most of them are poor-looking, like migrant workers, right? …I would rather spend some money on this. The high-end club charges 3000 yuan for half a year, not expensive. They can introduce more reliable men. (Shuang, 32)

There are also cases that interviewee even bluntly describe partner selection as an exchange of men’s economic resources for the women’s youth and attractiveness. This is an instance showing that market value has penetrated in mating ideology nowadays, and people can openly articulate it without feeling ashamed.

I don’t want to deny that these (marriage hunting service) are for the matchmaking of rich men and beautiful women, but I think people should look at this from a more objective perspective. I can afford an Audi car, why bother to select among a bunch of Alto cars? …Women are the same. I’m young, beautiful, good-educated, and have fair skin; why can’t I marry a rich and handsome guy instead of a poor loser? Who doesn’t want a better life? It’s like you go to the market and you’ll see big and juicy fruits always cost more, don’t they? (May, 25)

Most interviewees indicate that the major function of matchmaking websites and other forms of Xiangqin in China is to increase the number of options from which one can choose and facilitate the initial stage of partner selection. Therefore, after this stage, they often go out for a one-to-one date with a potential partner for further consideration. Through their articulation of these dating interactions with a potential male partner, the message that ‘money is a crucial criterion for decision-making’ is very clear in some cases.

9 Source from: http://en.wikipedia.org/wiki/Fei_Cheng_Wu_Rao
I don’t like stingy men. Normally I don’t spend men’s money; I’m economically independence. But there’re some men who are penny-pinching even on the meal on our first date. It’s really difficult for me to accept this… For example, when we looked at the menu and I said it’s ok. They would say ‘ok?’ ‘You think this is inexpensive?’ or you can tell how they think from their facial expression… This means that I don’t worth their investment. Then please go away. Don’t waste my time. (Misu, 29)

Of course men should pay the bill! It’s an axiom, isn’t it? Some of my female friends even said that if the guy proposed to go Dutch during a date, they would badmouth him and never date him again. (Emily, 30)

I don’t think any Chinese woman would accept a stingy man. It’s very difficult for that kind of man to find a wife. (Cheng, 31)

Nowadays many men are very pragmatic. I used to date some men who even used coupon and brought me to very lousy place for dining. That’s so unromantic, so mean…… (Shuang, 32)

4.3 Reinforced gender stereotypes in commodification of Xiangqin

Another observation of the study is that in commercialized forms of Xiangqin, gender stereotypes are reinforced. Influence of traditional gender norms and mating ideology such as ‘men are valued for their economic status and women are valued for their appearance’ (Nan cai nv mao) and men should take the initiative in courtship are still obvious. Such influence is reflected in established rules in established and/or unspoken social rules in different forms of matchmaking activities. An explicit example is the higher the level (graded by money consumed) of a matchmaking activity, the less a female participant needs to pay. To attend such activities, the prerequisite for men is wealth; and for women are youth, beautiful appearance, and other characteristics of being a ‘good wife’.

There’s threshold for our club. The fee for male member is 200,000 yuan a year…Female members don’t need to pay the fee, but they all look glamorous. (Li, currently works as manager of China Entrepreneur Club for Singles)

The first date (arranged by marriage hunting service) I went was with a man; he paid a lot, thus the company held an audition specifically for him. And I was the first girl selected by the company to meet him…… In fact, all of these men we met have relatively high social status. They are quite good……The standard of ‘good’ is of course economic status. Most of them are businessmen. You can do these things only when you’re rich. (Ding Ding, 25, who has been selected for marriage hunting service)

Jiayuan.com has high-end matchmaking club. Their advertisement says all male members in the club have high salary and they are decent in other aspect. Within it there’s an ‘elite women’s club’. (What’s that?) Well, frankly speaking it’s actually a ‘beauties club’. It’s like a beauty pageant. There’re strict requirements for one’s appearance. All those passed the audition are good-looking. (Lan, 29, who once applied for ‘elite club’ but failed to be accepted)

A more obvious case is how ‘elite clubs’ and marriage hunting service recruit female members for following matchmaking service for superrich men. Take China Entrepreneur Club for Singles as an example, the threshold for male member is ‘president of the board or general manager of large state-owned enterprises or foreign companies; or one whose personal assets exceeds 100 million yuan’10. And the basic membership fee for them is 200,000 yuan per year; for advanced services, the membership fee is 400,000 yuan per year and even higher for more customized service. On its front page, there’s a glamorous wedding dress with a clear caption ‘Find Cinderella’ next to the picture. Under such circumstances, female applicants need to go through many rounds of interviews and inspections in order to be accepted. The requirements for each round are very strict and meticulous. For example, the first round is a cosmetic surgeon examining whether the applicants are ‘natural beauties’; the second round is for intellectual and inner quality assessment; the third round is examination of household chores such as cooking and tying a necktie; the fourth round is personality and psychological health test which requires an applicant to finish a questionnaire; the fifth round is a marriage consultant asking the applicant’s past relationship experience and examining whether she has a ‘correct’ ideology about love, marriage, and family; the following rounds are designed for meeting specific requirements mentioned by male customers; an applicant’s understanding of charity, her physiognomy, and even whether she is a virgin will be inspected. Li, who currently works as manager of this company, told me they go around China’s big cities to look for girls who fit in such requirements. As for the result, ‘it’s considered a high rate if we can select one girl out of 300 applicants’, said Li. Another thing which worth mentioning is that when Li demonstrated information of girls who has been accepted in their club, I noticed that the age range of them is roughly 20 to 25; the youngest one is only 18 years old.

10 Source from: http://www.520cecs.com/fronted/cecs.jsp
Besides these, there are other rules of matchmaking activities which comply with gender norms such as men initiating communication and interactions. For instance, in many interactive activities on matchmaking fairs, there are rules requiring women stand in lines and wait for the queue of male participants to shake hands and exchange information cards with them, rules encouraging men go on the stage and confess their love to female participants off stage, rules incenting men to invite female participants to dance or be their partner to play games, etc.

4.4 New femininities reflected in Xiangqin

Despite the strengthened gender roles reflected in some situation, the study finds that Xiangqin activities permeated with commercial culture simultaneously create conditions for emergence of new femininities in gender dynamics. Overall, when it comes to partner selection and marriage, modern Chinese women enjoy more autonomy and equality between the sexes.

The plot design in some popular matchmaking TV shows is a good example indicating such social changes regarding women empowerment. In shows like ‘If You Are the One’, ‘Let’s Date’, and ‘One in One Hundred’, all of them invite female participants to stand on stage as jury, while male participants have around 20 minutes to demonstrate themselves and see whether they could win an opportunity to date one of the women on stage. Many of these female participants are very active and confident when expressing their opinion; their sharp and critical remark towards the male candidates is also a reason why these shows attract large amount of audiences. Besides TV shows, in matchmaking fairs, women’s proactive behaviors in gender interactions are observed as well. Although rules usually encourage men take the initiative, women can take a much more active role in responding to invitations. During my participant observation, I even saw some women who challenged this dating script and made the first move to exchange contact information with men they found desirable. When I ask one interviewee about this, she said:

After all, this is my attitude towards love. They say a girl needs to be restrained and something, but I don’t think so. If I really like someone, I’ll be proactive. I can’t help telling myself ‘I’ve got to have a try. Otherwise when I’m old or when I don’t feel happy in my marriage in the future, I would regret…… Some people may think it’s shameful for a girl to be so proactive, but I think this is my own business. I don’t care how others look at me. (Chang, 26)

Women’s appearance and dress when attending matchmaking activities are also indicators of the emerged new femininity in contemporary China. In matchmaking fairs, high-end parties, interviews for marriage hunting service, matchmaking TV shows, and many other relevant occasions, one can easily find that almost all women are dressed up and they dare to show their sexual capital in the process of partner selection. Compared to women’s dress code decades ago under Communist revolutionary culture (Ip, 2003), these changes are remarkable.

Another representation of Chinese new femininity is women’s open elaboration and celebration of their desires of both a good life and intimacy. In both the traditional and socialist cultures, most of these individual desires were either controlled or stigmatized as improper (Yan, 2010). But nowadays, Chinese people, including Chinese women, dare to express that they aspire to a life of quality. They are willing to consume different commercialized matchmaking activities, and they do not feel ashamed to attend these activities and speak out that socio-economic status is an important concern in their mate choice. Moreover, rather than seeking a ‘love for revolution’ (Glosser, 2003), many interviewees in this study openly state that they want to find an intimate partner for their own sake; when expressing their mating standard, they frequently bring up the term ‘love’:

Lots of men woo me, but I won’t get married unless I found a man whom I really really love. Otherwise I can’t stand marriage life. (Emma, 30)

I have to find someone I love. If the feeling between us fades, I can’t control that. But we should love each other in the beginning. Some people talk to me to ‘stop being unrealistic and talk about love all the time’, etc. But I don’t want to settle down in such a careless way. (Liang, 31)

Simultaneously, some interviewees insist that they desire a relationship in which they can enjoy an independent self; they usually actualize this principle through details such as bill payment when going out with a potential mate. Being economic independent also helps them to achieve greater control over intimate relationship. For example:

Marriage is pragmatic. You can’t always depend on one person. I’m not able to support a man economically, but I don’t him to support me, either. I have my own job. I’m independent. (Le Le, 29)

Usually I would bring up the idea of going Dutch, even if the man didn’t accept my money in the end. After all, I think we both benefit from a date, and it’s unfair to ask men to pay all the money… In both dating and marriage, I think economic independence is important. If I want something, why can’t I buy for myself? If you ask everything from your partner, depend too much on him, you’ll be degraded. (Mo Li, 27)
(I proposed to go Dutch because) I don’t want him to have the impression that ‘I pay the bill, why don’t you agree to be my girlfriend’, I don’t want to give him an excuse like this. (Zora, 27)

5. Conclusion

Under the circumstance of commercial society, the emergence of various new Xiangqin forms has given rise to many socio-cultural changes on aspects of partner selection and marriage in China. The study argues that modern Chinese dating culture are symbolically and practically shaped by the commercial society. Apparently, the intersection between economics and people’s intimate interactions perpetuates class divisions in current China. The commercialization of Xiangqin also reinforces traditional gender norms. Proactive men with wealth and young women attractive appearance occupy many resources on the marriage market; such social phenomenon also influences the design of many matchmaking activities and shapes the mating ideology of Chinese people. Nevertheless, commercialized Xiangqin also contributes to women empowerment at the same time. A dating culture penetrated by market value creates conditions for new Chinese femininity characterized by women’s increased sense of autonomy, greater control over intimate relationship, and equality between the sexes.

Reference

Learning to Live with a Chronic Illness, without Thinking about Death

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Abstract

Chronic diseases are characterized by continuous pain and suffering, affecting the personal well-being, emotional, family and social. Patients experience moments of disruption, in face of alterations or deformations in their body image, and the need to change their habits and social roles. Some patients accept their situation, having good practices of self-care, adapting to their limitations and seeing the future with hope, while others represent the disease with sadness, negativity, fear and worry. The suffering but particularly death, emerges as a possibility that they prefer to ignore. This study aims to contribute to the understanding of how patients perceive their chronic disease, as well as life and death. Data were collected through a focus-group conducted with the consent of ten participants - adult and aging patients with rheumatoid arthritis. Among the various questions discussed, we highlight these: ‘How do you envisage your illness?’, ‘How do you feel towards life?’, ‘How does illness affect your life?’, ‘How do you envisage death?’ All participants recognize the disease as incurable, associating it with suffering, loneliness and grief. Women complain especially of the limitations imposed by the disease, which hinder the achievement of household tasks, while men emphasize the constraints they experience at a professional level. Patients reveal resignation or intention to learn to live with a persistent pain, but they all tend to ignore death. They believe in therapy, although they see it as excessive and with a temporary effect. The most important thing they consider is to be alive, hoping to get better.

Keywords: chronic illness, rheumatic diseases, pain, body, life, death

1. Introduction

Rheumatic diseases are an important (and global) public health problem, resulting in limitations in the daily living activities of the patients that often reduce their familiar meetings or social participations.

Most of the inflammatory joint disease (e.g. arthritis) results directly from pain and disability, affecting the well-being, in numerous aspects (Symmons et al., 2002; Silman, 2001; Zink et al., 2004). These diseases are very common and only in Europe it is estimated that there are over 103 million patients (Lucas & Monjardino, 2010; Faustino, 2003; Queirós, 2002).

All diseases of this kind no matter the etiology - can undermine the musculoskeletal system, causing pain and changes, especially at the joints, causing deformation of the body - as well as functional disability by limiting the movements, autonomy, independence and the social involvement, committing welfare (Lucas & Monjardino, 2010). In
fact, rheumatic diseases have a profound effect on functional status, interfere with activities of daily living, reduce physical mobility and may, secondarily, increase mortality (Majitria et al., 2009).

Historically, rheumatic diseases have received relatively little attention, and their impact have been minimized (Hootman et al., 2002), considering that they affect only older people, for which nothing more can be done. Gradually, these attitudes are changing. About 60% of the patients with these diseases are under 65 years old, and an appropriate management of the situation can make a real difference (e.g., Lucas & Monjardino, 2010). Due to these problems, emerged in 2000 the ‘Bone and Joint Decade (2000-2010)’ that is a global initiative endorsed by the World Health Organization (WHO), whose goal is to improve the health quality of life for people with musculoskeletal disorders, including rheumatic diseases.

Although therapeutic options have improved over the last decades, these chronic illnesses affect the economic situation, work status, family and social relationships of a significant number of patients. These outcomes are clearly related to functional disability, and we are now aware of an increased mortality associated with the inflammatory rheumatic diseases, like rheumatoid arthritis (Goodson & Symmons, 2002).

It is now clear that mortality in rheumatic diseases is strongly influenced by the disease activity and can be reduced by effective treatment (e.g., Krause et al., 2000; Zink et al., 2004). The way to face the disease is essential in the patients’ routine. The disease can be a source of great pain, constituting a real or imagined threat to the integrity of the person, confronting it with its fragility and the idea of death. Suffering can enhance the value of life and contribute thereby to self-regulation and reconstruction of the person (Gameiro, 1999).

Knowledge of disease characteristics influences the patient behavior, emotions, and management of symptoms (Correia, 2006; Pimm & Weinman, 1998). When the reaction to disability is not adaptive, fear can become in denial, evidencing a defense mechanism or anxiety, in face of an irreversible disease, and many patients think even in death (e.g., Marques et al., 2012).

Death has always been a part of human development and any person that is faced with this, questions his own life, confronting his fears and anxieties (e.g., Kastenbaum, 2001; Kastenbaum & Aisenberg, 1983; Oliveira, 2008, 2011). When it comes to chronic diseases such as the rheumatic diseases, death emerges as an issue since the diagnosis, not only by its gravity, but essentially by the loss, pain and suffering, associated with the illness, and by the threats of the unpredictability of disease itself (Bromberg, 1998; Alcântara et al., 2011).

In Western society that drives us to the accumulation of goods, medicine and new technologies offer us (the illusion of) an increasing life expectancy, trying to delay or hide the confrontation with death. Became almost a shame to share feelings related with death, pain and suffering, particularly in the case of chronic diseases (e.g., Oliveira, 2008, 2011).

The idea of dying will be better accepted by the elderly, because most people in this age group is already in the final phase of its life cycle, and has done what is expected by society - has worked, married, had children, and became old, so, may die (Boemer, Zanetti & Valle, 1991). The fact is that it is also more likely that death occurs among the elderly, than in other age groups. However, the fear of dying is not linear, is an individual experience that can be aggravated by the disease.

The modern way of living, inciting us to 'look happy' at any moment and at any cost, to cultivate pleasure, image, fashion and material goods, separates us from reality. We pretend or run away, ignore or reject the death, thinking that certain setbacks only happen to others, and that certain diseases can only be diagnosed to the others. However, we know that death does not differentiate status, position or class, after all, we are all equal in the end (e.g., Oliveira, 2008, 2011).

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1 E.g., inflammatory rheumatic disease, like rheumatoid arthritis.
2 E.g., medications, new techniques of joint replacement surgery.
3 This goal is being achieved through the following measures: i) raising awareness of the growing burden of musculoskeletal disorders on society; ii) empowering patients to participate in their own care; iii) promoting cost effective prevention and treatment; iv) and advancing the understanding of musculoskeletal disorders through research to improve prevention and treatment (Woolf & Åkesson, 2001; Woolf, 2003, Woolf & Pfleger, 2003).
4 This reconstruction can be positive and is only possible if a person has the ability to use her personal resources (self-esteem, competencies acquired) and external resources (family support, social support, sociocultural values) to deal with suffering, and others, like the motivation for the search for meaning, motivation for others, and the openness to faith and hope (McIntyre & Vila-Chã, 1995).
Death is seen as the darkness, the unknown and therefore awakens on us the fear, anxiety and other feelings of malaise. However, when we deny death itself, such position causes us discomfort and unwanted feelings, as if we did not wanted to face our own life.

In Portugal, we do not find studies that address the representations of the disease, and its relation to life and death, among people with rheumatic disease, so we consider the present work as relevant.

2. Main objective

This study aims to contribute to understand how patients perceive their chronic disease, as well as life and death, among adults and aging with rheumatic diseases.

3. Method

We conducted a focus-group with 10 participants - patients with rheumatic diseases - nine women and one man, from 56 to 80 years old, all married, diagnosed with rheumatic diseases for four to thirty years - all of them are retired and live in Lisbon.\(^5\)

The participants were asked about:
- ‘How do you envisage your illness?’
- ‘How do you feel towards life?’
- ‘How does illness affect your life?’
- ‘How do you envisage death?’

We let the participants talk and discuss about these topics. We also collected some socio-demographic data about them (e.g., gender, age, marital status, and time of disease), as well as some other indicators about less relevant issues.

All the data was collected in a hospital inpatient and were analysed through content analysis, to determine the relevant categories and main units (e.g., Bardin, 1977).

4. Results

The analysis of the interviews revealed themes, such as: reactions to rheumatic disease; feelings and emotions centered on the person; impact on the person, the family and society, impact of disease on the perception life and death.

When we challenged the participants to talk about ‘How do you envisage your illness?’, from the analysis done, two categories emerged. The first is related to negative aspects associated to difficulties of everyday life - the subjects were unanimous in connote illness as chronic and as a problem that impedes the realization of fundamental tasks in day-to-day. The second is linked to positive aspects, where reactions of adaptation and acceptance are obvious (cf. Table 1).

Table 1. ‘How do you envisage your illness?’ (Categories and items - or units of analysis)

<table>
<thead>
<tr>
<th>Negative reactions due to the rheumatic disease</th>
<th>Difficulties in Everyday Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>I cannot do simple tasks</td>
<td>I was an active person</td>
</tr>
<tr>
<td>I was an active person</td>
<td>I cannot do my chores</td>
</tr>
<tr>
<td>I cannot do my chores</td>
<td>I cannot do the cleaning</td>
</tr>
<tr>
<td>I cannot put things in order</td>
<td>is difficult to do simple things in life</td>
</tr>
<tr>
<td>is difficult to do simple things in life</td>
<td>I cannot accompany my family</td>
</tr>
<tr>
<td>I cannot accompany my family</td>
<td>purchases are difficult to make</td>
</tr>
<tr>
<td>I have no strength, the disease took my energy</td>
<td>I sometimes even in bed is difficult to stay</td>
</tr>
<tr>
<td>our life depends on others</td>
<td>our life depends on others</td>
</tr>
</tbody>
</table>

\(^5\)Ethical considerations: the patients were informed that their participation in the study was anonymous and voluntary; accordingly, we obtained a written consent from them. The permission to record the interviews and the group discussion, as well as the confidentiality and anonymity, were assured by us.
4.1 ‘How do you feel towards life?’

When we asked the participants to talk about what they feel about life, emerged sentiments centered on the person - ‘what I feel’ - but also attitudes with impact on family dynamics and on a social level - what others think of the patient himself.

4.2 ‘What I feel’

Most spoke of the sadness of feeling they are different persons. When talking about themselves, they wept with ease and spontaneity. Some said they were afraid of the future, and expressed dismay, once the disease is a source of pain and suffering.

Besides fear, hope and uncertainty also appeared frequently, with the perspective of having to depend on others and become a burden to the family. The doubts about the future increase as time passes. Faith comes as an inner strength that helps in confronting the disease and contributes to its acceptance and adaptation. For them, it is worth continuing to invest and learn to live with the disease (cf. Table 2).

4.3 ‘Impact of disease on family and social dynamics’

With the evolution of the disease also occur changes in family and social dynamics. These can be positive - as the support, understanding and help - or negative - for most subjects, the family members show disinterest and misunderstanding. Family life suffers major alterations because it implies changing roles and functions; when the patient is the wife or mother, the lack of female figure implies domestic difficulties to their husbands. All subjects felt that most people do not believe that the disease may cause so much discomfort and has so strong impact on their lives (cf. Table 2).

4.4 ‘How does illness affect your life?’

Patients report that the disease affected their life, in all dimensions, given the suffering caused, and the fear of losing health. They feel vulnerable, distressed and anxious, what can lead to isolation and loneliness, not wanting to talk to anyone and, sometimes, forgoing social activities. The implications that the disease has on the health and well-being are especially evident in the changes on the routines and daily plans, in complaints, signs and symptoms, and also in sleep disturbance and anxiety, due to the stress caused by the emotional weight that the disease causes. One aspect that also has changed, affecting the lives of the subjects, was the changes on the body and in physical appearance (cf. Table 3).

Another aspect mentioned was the management of the disease itself, in terms of (adherence to) therapeutic, symptoms and energy. For this it is important to have accessible information and understand the characteristics of the disease to be able to manage it. They say that they have little information about the disease and this is due to health care professionals who do not report them what they have, and even worse, do not listen the patients complains. They also consider that the proper management of the disease depends, especially, of the adherence to the therapeutic. However,
some individuals do not feel informed about this. Others argue that even without this knowledge, they follow all directions given by healthcare professionals (cf. Table 3).

4.5 ‘How do you envisage death?’

From the response to this question it appears that some of the subjects, despite the pain, complications and difficulties in living with this type of disease, don’t have fear to face the death, saying that they would not mind dying, since suffering is too much. Some patients do not even want to hear about this issue, stating that prefer to take medication and live with the complications of therapy and the pain, than to die (cf. Table 4).

Table 2. ‘How do you feel towards life?’ (Categories and items - or units of analysis)

<table>
<thead>
<tr>
<th>What I feel</th>
<th>Impact of disease</th>
<th>Positive attitudes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fear</td>
<td>I do not reach an old age</td>
<td>who helps me and who understands me is my sister, it</td>
</tr>
<tr>
<td></td>
<td>I'm afraid of becoming a burden to my family</td>
<td></td>
</tr>
<tr>
<td></td>
<td>nobody will take care of me</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I do not want to bother anyone</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I'm afraid to get worse</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I have the consciousness that in the future I will be worse</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I fear the disease, it always comes back</td>
<td></td>
</tr>
<tr>
<td></td>
<td>sometimes I am afraid to lie down</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I fear tomorrow</td>
<td></td>
</tr>
<tr>
<td>Sadness</td>
<td>I am no longer the same</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I feel sad</td>
<td></td>
</tr>
<tr>
<td></td>
<td>no one understands me</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I cry a lot</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the disease takes me the joy of living</td>
<td></td>
</tr>
<tr>
<td></td>
<td>it is not easy to live like this, I feel a great sadness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>it gives me little will to live</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the disease takes it all from me</td>
<td></td>
</tr>
<tr>
<td>Uncertainty</td>
<td>I do not know what will become of me</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I do not know if I’m here tomorrow</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I see the future black</td>
<td></td>
</tr>
<tr>
<td>Discouragement</td>
<td>I do not know, I am very discouraged ...</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I lost all hope</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I feel trapped and limited</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I have no desire for anything</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the disease takes me from myself</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I’m out of patience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>has been very difficult to accept</td>
<td></td>
</tr>
<tr>
<td></td>
<td>all of this revolt me</td>
<td></td>
</tr>
<tr>
<td>Suffering</td>
<td>I have a lot of pain, some days I cannot stand this</td>
<td></td>
</tr>
<tr>
<td></td>
<td>sometimes I’m afraid to go to bed, because when I wake up</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am worse, and afraid of tomorrow</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I have a lot of pain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I’m afraid of suffering</td>
<td></td>
</tr>
<tr>
<td>Hope</td>
<td>I always hope to improve, I hold some hope</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I see life in a positive way, I am an animated person</td>
<td></td>
</tr>
<tr>
<td></td>
<td>hope is the last thing to die</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I take medication to relieve me, is the magic box</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I believe in tomorrow, with hope and faith</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I want to get better</td>
<td></td>
</tr>
<tr>
<td>Will to learn</td>
<td>I learned to live with pain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I was an active person</td>
<td></td>
</tr>
<tr>
<td></td>
<td>now I cannot do nothing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>modifies the pace up, I feel very tired</td>
<td></td>
</tr>
<tr>
<td></td>
<td>we must do tasks differently and one thing at a time, not to get tired</td>
<td></td>
</tr>
</tbody>
</table>
on family dynamics has the same disease that I
my family knows what is wrong with me and helps me
the family believes in me

Negative attitudes my husband does not understand me
they think I'm feigned
the persons say that I have a habit to complain of
diseases

Changes in my husband who does the shopping ..
family roles is my daughter who helps me, it is my right arm

Social role the persons do not realize that I have pains
Face to others as they usually say ... you look well, you look so good

Table 3. ‘How does illness affect your life?’ (Categories and items - or units of analysis)

<table>
<thead>
<tr>
<th>Social dimension</th>
<th>Social isolation</th>
<th>Changes in many activities and leisure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social isolation</td>
<td>there are days that I do not want to see anyone, they knock on the door and I do not open</td>
<td>I cannot commit myself to anything</td>
</tr>
<tr>
<td></td>
<td>I may not have patience for people</td>
<td>I cannot combine to go to any party</td>
</tr>
<tr>
<td></td>
<td>I have no desire for anything</td>
<td>I do not accept any invitation for fear of not being able to go</td>
</tr>
<tr>
<td></td>
<td>I do not even feel like getting out of the house</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I do not have will to get dressed and leaving</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I isolate myself very much</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I feel very lonely</td>
<td></td>
</tr>
<tr>
<td></td>
<td>there are times that I feel useless</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I do not leave home</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I feel lonely, I cannot explain</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical dimension</th>
<th>Sleep disorders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sleep disorders</td>
<td>I sleep very badly</td>
</tr>
<tr>
<td></td>
<td>the pain will not let me sleep</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical dimension</th>
<th>Pain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pain</td>
<td>I have pain</td>
</tr>
<tr>
<td></td>
<td>I need my hands to work... and I have pains</td>
</tr>
<tr>
<td></td>
<td>I need my legs and feet to work... and I have pains</td>
</tr>
<tr>
<td></td>
<td>I am desperate with pain</td>
</tr>
<tr>
<td></td>
<td>it hurts the whole body</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Psychological dimension</th>
<th>Anxiety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anxiety</td>
<td>we have the nervous system changed</td>
</tr>
<tr>
<td></td>
<td>depression is chronic</td>
</tr>
<tr>
<td></td>
<td>I feel very nervous</td>
</tr>
<tr>
<td></td>
<td>I feel anxious</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Psychological dimension</th>
<th>Body changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Body changes</td>
<td>is revolting, my body is different now</td>
</tr>
<tr>
<td></td>
<td>I look at my body with sorrow</td>
</tr>
<tr>
<td></td>
<td>my body does not respond to my head, my head does but the body does not</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disease management</th>
<th>Therapies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Therapies</td>
<td>we have too much medication</td>
</tr>
<tr>
<td></td>
<td>I take cortisone, relieves me and keeps me on my feet</td>
</tr>
<tr>
<td></td>
<td>I have a need to know what they give me to take</td>
</tr>
<tr>
<td></td>
<td>the medications bring many complications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disease management</th>
<th>A need to talk to others</th>
</tr>
</thead>
<tbody>
<tr>
<td>A need to talk to others</td>
<td>I like to talk to other patients when I'm in hospital</td>
</tr>
<tr>
<td></td>
<td>talking with others helps me to better understand the disease</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disease management</th>
<th>A need to have support and comprehension</th>
</tr>
</thead>
<tbody>
<tr>
<td>A need to have support and comprehension</td>
<td>I accept the advice of health professionals</td>
</tr>
<tr>
<td></td>
<td>I'm afraid to be operated</td>
</tr>
<tr>
<td></td>
<td>doctors do not understand us</td>
</tr>
<tr>
<td></td>
<td>it would be very important if the physicians could understand us</td>
</tr>
</tbody>
</table>

Table 4. ‘How do you envisage death?’ (Categories and items - or units of analysis)

<table>
<thead>
<tr>
<th>Death</th>
<th>Acceptance/ Resignation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I do not care, I'm tired of suffering</td>
</tr>
<tr>
<td></td>
<td>I do not mind that death come from the heart, I want her to come</td>
</tr>
</tbody>
</table>
5. Discussion

Rheumatic diseases, being chronic and degenerative, arouse negative perceptions of patients. The pain is always present, accompanied by great suffering. These diseases have an enormous emotional and social impact. However, some subjects show a good adaptation, but many showed great displeasure and concern.

Social changes caused by chronic disease are associated with not only the difficulties that people have in participating in social events, but also in the domain of work and stigmatization by society (e.g., Rolland, 1987, 2004). The participants show concern with the severity of disease, suffering and death, and so it is natural that reveal fear, insecurity, discouragement, distress or despair, but also have positive feelings of courage and hope.

Many are the feelings experienced by the subjects, from the tears and the fear, to changes observed in the body, which eventually reveals their physical limits and losses. The degradation of the body, persistent physical pain, the physical limits and losses, feed the person with a deep sense of sadness and fear (Phaneuf, 2002). The fear, as well as hope and uncertainty, are common emotions on the chronic patients (e.g., McNamara, 2001).

The uncertainty about the future, common among all of us, is increased with the presence of the disease, which in essence has unknown prognosis (Fleming, 1997). McNamara (2001) highlights the uncertainty as a process that begins with the lack of information about the disease and its causes, and is aggravated by the lack of knowledge about the therapeutic treatments and symptoms of worsening of the disease.

The subjects reported that the problems related to the disease are not limited only to themselves, but consider that the family is also affected by the disease, which leads to changes in everyday life - in the roles and functions performed within the family.

The disease and suffering may also be an opportunity and motivation to reorganize a new life, in which the patient could mobilize their personal capacities, family and social, to seek new ways of being in life (Guerra, 1998). The appearance of a disease can have a positive side, if the implied changes lead to a evolutionary character. What, with no doubt, will help to accept the disease and learn to live with it as part of their existence, and not as an obstacle in personal development (Hegelson, 1999).

It is important that each person understands the meaning of the experience of being ill, to herself, as this will help it to surpass herself and learn from the situation, regardless of the suffering and losses that the disease causes (e.g., Pio Abreu, 1997).

6. Conclusion

Living with a rheumatic disease is not easy, by the impacts and significant changes in each patient, affecting him at physical, psychological and social levels. All participants recognize the disease as incurable, associating it with suffering, loneliness and grief. Given the disease, subjects reveal negative feelings, such as fear and revolt, but also show capacity of adaptation and acceptance, with due support.

In this study we considered the experience of patients with rheumatic disease, what are their concerns as well as their feelings and emotions, the meanings of illness, and how they deal with their illness and also with death.

Faced with the disease, the subjects turn to themselves, analyze their feelings and frighten themselves with the reality that surrounds them. They show sadness and anger for the situation they live, and fear they cannot cope with the disease and the consequences of it in the future.

The patients feel worried about the impact of the disease on themselves, but they seek to have the strength, hope and faith to keep fighting. Sometimes they feel discouraged or distressed, given its condition and suffering. They may reveal intention to learn to live with their condition, but they all tend to ignore death. They believe in therapy, although they see it as excessive and with a temporary effect. The most important thing they consider is to be alive, hoping to get better.

Health professionals should pay attention on the needs of people and value them. Only then will better understand the problems and needs of patients, to guide and improve their practice, as regards, in particular, the planning of their intervention and care, helping them live with greater dignity, experiencing the day to day, with an awareness that everything we experience is important, giving value to life, without fearing death.
References


The Impact of Macroeconomic Variables on the Non Performing Loans in the Albanian Banking System During 2005 - 2012

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Abstract

The aim of this paper is to analyze the impact of the main macroeconomic variables in the non performing loans’ level in the Albanian banking system. This study is motivated by the hypothesis that macroeconomic variables have an effect on the non performing loans’ level. The paper will be focused to find out the relations of the non performing loans ratio and the GDP, inflation rate, exchange rate euro/all and base interest rate by using a simple regression model. The Albanian banking system from 2008 is suffering from an ongoing growth level of the non performing loans and this is a big problem for the individual banks and for the banking system as a whole. Actually the level of non performing loans in the Albanian banking system is very concerning reaching up to 23.1% of the total loans. The Bank of Albania during the global financial crises has to be more vigilant of potential weaknesses of our banking system. This study is meant to be added to the actual field of research papers in the non performing loans issue.

Keywords: non performing loans, GDP, inflation, banking system, interest rate

1. Introduction

The last decade the Albanian banking system has made an extraordinary progress and now days are operating 16 private owned universal banks. The global financial crises of the 2008 that affected almost all the countries over the world did not save even the Albanian financial system. Given that the Albanian financial system is represented in its greater part from the banking system (85%) the analysis and the identification of the problematic of the banking system that came as a result of global financial crises will take a great importance. In these conditions it is to stress that a very important indicator of the financial risks of the banks is credit risk which a lot of researchers connect directly with the level of non performing loans. In the Albanian banking system the NPL level appears in concerning levels and according the data of January 2013 the level of NPL reaches 23.1% of the total loans. It is understood that such a high level has been due to a gradual increase which has started since the last quarter of 2007 and continues now days to persist. The high level of NPL has forced the banks to reduce the number of new loans and it is normal that in these circumstances the ratio of NPL and total loans will increase. It is also to mention that the growth of this ratio comes not only as a result of the reduction of loan portfolio growth but also comes by the rapid pace of NPL’s growth. In the last years despite the problems that the real economy is going through which continue to translate into a deterioration in the quality of the loan portfolio it is to mention that the Albanian banking system is well capitalized and highly liquid. As the banking system and businesses currently are facing a difficult period the last months the Bank of Albania has proposed a new anti-crisis package which is supposed to provide solutions to some of the most important problems facing the commercial banks and businesses in general. The anti-crisis package will consist of three basic columns which are thought to give a positive impetus to the development and recovery of lending to the economy of our country. The package will focus on: legal column, monetary policy column and prudential column.

2. Literature review

In the last decade the NPL have had a greater emphasis almost all over the world as understood that a high and uncontrolled growth of NPL would lead to a potential failure of the banking system as a whole. It should also be mentioned that according to many researchers is confirmed that the cause of the collapse of banks is asset quality which
is an important predictive of the banks insolvency. In the same time is confirmed that banks which are on the verge of bankruptcy are suffering from high levels of NPL just before the declaration of bankruptcy. Keeton and Morris in 1987 realize a study on 2.470 banks in the USA in order to understand why do banks’ loan losses differ why differ in different banks. According to the authors some banks have higher losses as a result of pure chance, some from the weak process of credit management and some other banks have had the possibility to create well diversified loans portfolios which allowed banks to ease lending standards while keeping the total risk in low levels. Another explanation of the high loan losses is connected with banks which were situated in areas with unfavorable economic conditions. Boudriga, Taktak and Defi in 1997 analyze panel data of 59 countries to determine the factors affecting the NPL level. According to the empirical results is confirmed that a high level of capitalization, a prudent provision policy, concentration in banking industry and the foreign capital presence are the main determinants of the reduction of the NPL levels. The authors agree that the participation of the state in banks increases the NPL level. Keeton in 1999 analyzes the relation between the credit growth rate and the NPL ratio concluding that the fast growth rate of credit leads to higher loan losses and this relates to the supply shift that is a increased desire of the banks to give credit. The author stresses the fact that it will take 3 years that credit growth translate into NPL and as a result we have to analyze a long period to test statistically the fact that the fast credit growth leads to higher NPL. Fernández de Lis, Martínez Pagés and Saurina in 2000 analyze the cyclical behavior of bank credit, credit losses and credit provisions which are considered to be very cyclical in Spain. According to the authors there is a strong relation between the NPL ratio and the economic cycle suggesting that in economic booms the NPL ratio tend to be low and in economic downturn the NPL ratio tend to be relatively high. An important result is also that the credit expansion is one of the most important causes of the NPL ratio. The principal – agent problem can amplify the credit expansion because the bank managers focus more to gain market shares than on shareholder returns. Fofack in 2005 analyzes the main causes of the NPL during the economic and banking crises that affected the Sub – Saharan African countries. The results of the analysis show that the high growth of NPL will lead us in an uncontrolled increase of credit risk. The real effective exchange rate, the real interest rate and GDP growth per capita are statistically significant while the credit risk especially tends to be high during sustainable economic downturns. Inflation rate is not important to explain the NPL dynamics that is in contradiction with other researchers results. Hess, Grimes and J. Holmes in 2008 analyze the determinant factors of loan losses in Australia taking data from 32 banks for a period that goes from 1980 – 2005. The authors divide the determinants of loan losses in two categories: macroeconomic and banking factors. According to the regression analysis is shown that the GDP growth and the change in unemployment rate have the expected effects on the dependent variable but with one year lag. The stock index and house price index are negatively related to the loan losses while the inflation growth rate is positively related with loan losses. Shijaku and Ceca in 2010 analyze the credit risk in the Albanian banking system which is identified by the NPL level. According to a statistical analysis the dependent variable was the NPL ratio (NPL/Total Loans) while the independent variables were: GDP growth, changes of Euribor and Libor, interest rate of loans, exchange rate ALL/Euro and ALL/Dollar and the inflation rate. The regression coefficients had the expected signs and the GDP growth even is statistically significant while the credit risk especially tends to be high during sustainable economic downturns. Inflation rate is not important to explain the NPL dynamics that is in contradiction with other researchers results. Kumar Dash and Gaurav Kobra in 2012 use the regression analysis for a 10 year period in order to examine the relation between the NPL level and some key macroeconomic and bank specific variables. The results show that the positive relation between the ratio of total loans and total assets suggesting that banks with a strong tendency to take risk have encountered higher levels of NPL. The credit growth, inflation rate and GDP growth has a negative relation with NPL levels while the real interest rate and the real effective exchange rate has a positive relation with NPL levels. Biabani, Gilaninia dhe Mohabatkhah in 2012 examine panel data from 2006 – 2011 to assess the effective determinants of the NPL level in Iran. Using a regression model they test the relation between the NPL level and loan collateral, duration of granted facilities’ payment, having bounced check, having another deposit and credit background. The results show that all hypothesis are confirmed except the hypotheses testing the relation between the NPL level and having another deposit which has not a significant relation with NPL level.

3. The non performing loans in Albanian banking system 2005 - 2012

Actually there is not only one definition of the NLPs all over the world because different banking systems have different methods of classifying the loans. Anyway here we provide a general definition of non performing loans: A loan which
does not provide incomes anymore and: 1. Full payment of the principal and interest is not provided, 2. Their payment is 90 or more days late, 3. The maturity date has passed and the payment has not been completed.

Based on the Institute of International Finance in order to improve the cross-countries comparison are used five categories of loans for reporting purposes: standard, watch, substandard, doubtful and-loss loans. In some cases, NPLs correspond to the last three categories, in other only to doubtful and-loss loans, in some cases only to loss loans while in the Albanian banking system the NPLs correspond to the last three categories. The period considered in this paper goes from the first quarter of 2005 until fourth quarter of 2012, a period long enough to catch the negative effects of the global financial crises of 2008. Analyzing the data the period is divided in two sub-periods: Q1 2005 – Q4 2008 and Q1 2008 – Q4 2012. This division is made to evidence the effects of the financial crises on NPLs. The average NPLs ratio in the first period (pre crises) has been 3.45% with a standard deviation of only 1.02% showing a “natural” NPLs level for the banking system as a whole. In the second period (during crises) the average NPLs ratio is 15.46% while the standard deviation is 5.36%. If we compare the average data of the two periods we can conclude that the NPLs ratio is fivefold greater in the second period than in the first period and the same thing for the standard deviation. Actually the NPLs ratio in the Albanian banking system is almost 24% showing an increased tendency and a higher credit risk over all. Now the banks should be aware of this higher credit risk not only by monitoring the problematic loans but even in the granting of new loans which recently have had a general slowdown. The banks now have identified the main factors that brought the rapid increase of NPLs, starting from the problems caused by the economic crisis, the decline of the incomes coming from emigration up to the reduction of incomes as a result of individuals being fired from their work. The situation is deteriorated even from banks mistakes such as banks being aggressive, especially regarding the loans in mortgages with cheap interest rates. The granting of new loans that was not fully examined and analyzed are bringing bad consequences now days and another important element to mention is the fact that the in Albanian banking system did not existed the Credit Register which was created only in 2008. In these conditions the businesses and individuals were able to be granted by more than one loan without being detected by the banks.

4. Econometric model and estimation procedure

Based on our review of the literature we notice that there is enough international evidence which suggests that NPLs may be explained by both macroeconomic and bank specific factors. We use panel data for the estimation procedure from first quarter of 2005 until fourth quarter of 2012.

We take into consideration this period to include even the effects of the global financial crises in the Albanian banking system toward the ongoing increase of the NPLs ratio especially form the fourth quarter of 2008.

In this paper we take into account only some macroeconomic factors which have to explain the dependent variable of NPLs ratio. We use the Ordinary Least Squares regression model to test the hypothesis and to realize the relations between the dependent variable and independent variables.

The following hypothesis will be tested:

H1. The GDP has a negative relationship with NPLs ratio;
H2. The inflation rate has a negative relationship with NPLs ratio;
H3. Base Interest Rate has a positive relationship with NPLs ratio;
H4. Foreign exchange rate between Euro and ALL has a positive relationship with NPLs ratio;

The dependent variable will be the NPLs ratio while as independent variables will be Inflation rate, GDP growth, Base interest rate and exchange rate Euro/ALL. The general regression equation will be:

\[ \text{LN}_\text{NPLt} = \beta_0 + \beta_1\text{LN}_\text{NPLt-4} + \beta_2\text{LN}_\text{GDPt} + \beta_3\text{LN}_\text{INFt} + \beta_4\text{BIRt-4} + \beta_5\text{FXCt} \]

\[ \text{LN}_\text{NPLt-4} \] the natural logarithm of the ratio between non performing loans to total loans in time \( t \);
\[ \text{LN}_\text{GDPt} \] natural logarithm of GDP growth in % in time \( t \);
\[ \text{LN}_\text{INFt} \] natural logarithm of inflation rate in time \( t \);
\[ \text{BIRt-4} \] base interest rate in time \( t-4 \);
\[ \text{FXCt} \] foreign exchange rate between Euro and Albanian Lek in time \( t \);

5. Data analysis and interpretation

According to the data analysis of the Ordinary least squares estimation the results are presented in the table below.
Table 1. Regression results

<table>
<thead>
<tr>
<th>Regressor</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>T-Ratio</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSTANT</td>
<td>-21.5336</td>
<td>5.3073</td>
<td>-4.0574</td>
<td>0.001</td>
</tr>
<tr>
<td>LN_NPL(-4)</td>
<td>0.444174</td>
<td>0.147</td>
<td>3.0215</td>
<td>0.006</td>
</tr>
<tr>
<td>BIR(-4)</td>
<td>11.0472</td>
<td>8.2248</td>
<td>1.3432</td>
<td>0.193</td>
</tr>
<tr>
<td>FCX</td>
<td>0.03849</td>
<td>0.01354</td>
<td>3.7175</td>
<td>0.001</td>
</tr>
<tr>
<td>NL_GDP</td>
<td>1.1114</td>
<td>0.3682</td>
<td>3.0185</td>
<td>0.006</td>
</tr>
<tr>
<td>LN-INF</td>
<td>-0.1856</td>
<td>0.086518</td>
<td>-2.1452</td>
<td>0.043</td>
</tr>
</tbody>
</table>

The regression analysis confirms that the coefficient of determination R-squared is equal to 97.44% and shows that the independent variables explain 97.44% of the variation of the NPLs in the Albanian banking system. The DW – statistic is equal to 1.7286 indicating that the residuals are not correlated.

In the regression model LN_NPL(-4) used as an independent variable is statistically significant at lag 4 under 95% level. According the results is noticed that NPLs ratio is positively related to previous year result.

The hypothesis number 1 is not confirmed showing a positive relationship between the GDP growth and the NPLs ratio. This is in fact contrary to international evidence of Fernández de Lis, Martínez Pagés and Saurina (2000), Fofack (2005), Hess, Grimes and J. Holmes (2008).

According the regression results beta is 1.1114 and is highly significant (0.006) at 95% percent. This means that an increase of the GDP will translate in an increase of the NPLs ratio.

The hypothesis number 2 is confirmed demonstrating a negative relationship between inflation are and NPLs ratio. The beta coefficient is -0.1856 and is significant (0.043) at 95% level. An increase by 1% of inflation rate will determine a reduction of 0.1856% of the NPLs ratio.

In fact the finding support the previous study conducted by Khemraj and Pasha (2009) and Fofack (2005).

The hypothesis number 3 is not confirmed even if shows a positive relationship between the base interest rate of four quarters lag and NPLs ratio in time t. The beta coefficient 11.0472 but it is not significant because the probability is lower than 5%. It is to mention that the base interest rate influences the NPLs ratio but this happens only with four quarter lags. The positive relationship of the coefficient demonstrates that the growth of base interest rate will determine an increase NPLs ratio in the Albanian banking system. In fact the base interest rate serves as the main indicator of inter banking lending in Albania and this rate influences all the other rate in one economy.

The hypothesis number 4 is confirmed showing a positive relationship between foreign exchange rate Euro/ALL and the NPLs ratio. The results of the regression show a beta of 0.03849 and is highly significant (0.001) at 95% level. This result is very interesting taking into account that more than 50% of the granted loans in the Albanian banking system are in Euro currency. In this way the banks should be aware of this fact and take the right measures to reduce as much as they can the negative effects of an increase of FCX of Euro/ALL.

6. Conclusions

Non performing loans are very dangerous not only for the economy of one country but for the whole financial system in the world. In Albania the NPLs ratio is very concerning reaching levels of 23.1% of the total loans by setting the Albanian banking system in a higher credit risk. This credit risk has to be managed carefully by the supervisory authorities in order to avoid bankruptcies in the second level banks operating in Albania. This paper analyses the relationship between the NPLs ratio and some macroeconomic variable. From the regression analysis is noticed a positive relationship between the GDP growth and the NPLs ratio that is contrary to international evidence. In fact is expected that a GDP growth will
lead to a reduction of the NPLs ratio because all subjects in one economy when getting higher incomes will be more capable to repay their debts and this will be translated into lower NPLs ratios.

According to international evidence the inflation rate is negatively related with NPLs ratio even in the Albanian banking system.

From the results we find a positive relationship between the base interest rate of four quarters lag and NPLs ratio in time t. The supervisory authorities should take into account this fact when determining their monetary policies to avoid the negative effects of NPLs ratio when they decide to increase the base interest rate.

An important finding of this paper consists in the positive relationship between foreign exchange rate Euro/ALL and the NPLs ratio. This is an essential fact taking into account that more than 50% of the granted loans in the Albanian banking system are in Euro currency. For this the borrowers will be almost always exposed to the foreign exchange rate of Euro/ALL and will lead to a higher NPLs ratio. We hope that this paper will contribute to the existing literature in this field and further studies can be done taking into account other variables specifically those form the banks.

References


Data Processing as a Source of Psychological Researches Results’ Ambiguity

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Abstract

By the example of empirical research and analysis of correlations between person’s cognitive styles and his/her personal characteristics it is shown that contradictions and ambiguity of presented in psychological literature data on the topic are due to inadequate mathematical methods of data processing.

Keywords: cognitive style, field dependence – field independence, constricted-flexible control, breadth of categorizing, impulsivity – reflectivity, correlation analysis, factor analysis, regression analysis, cluster analysis.

1. Introduction

Practically every scientist reading special literature eventually runs into contradictions in the results presented by different authors. Every time facing this problem researcher has to decide whether to accept presented results or no. For example, in the researches devoted to revealing of relationship between hemispheric asymmetry and cognitive style field dependence – field independence (FD-FID) some authors find this correlation (Silverman et al., 1966, Pizzamiglio, 1974, Witkin et al., 1977). At the same time, some authors do not (Zhumgalieva, 2002, Gasimov, 1997). 1480 participants took part in B.K. Zhumgalieva’s research and she wrote “…no correlation was found between type of hemispheric asymmetry and cognitive style FD-FID”. About contradictoriness of data wrote a great number of authors all around the world.

Every time facing such problem researcher has to decide whether to accept presented results or no. If the answer is “yes” - then a scientist’s next step is to decide what results he/she should accept. In case of “no” - answer a scientist sometimes forced to duplicate the study spending time and money. Such circumstances resulted in different inconsistent psychological theories, theirs diversity impede understanding reality. There are a great number of reasons for such diversity, but in the study only one aspect of the problem was examined – the problem of data processing.

Unfortunately, it should be acknowledged that sometimes researchers forget the warning of Russian scientist A. Krylov: “Mathematics is like millstones; they mill only what is put into them. If seeds of weed are put into – it is impossible to expect that one would obtain wheat flour”. Lack of understanding about data processing essence is unacceptable, dangerous and results in ambiguous conclusions.

One should acknowledge that very often the set of actions which some authors called “processing and analysis of psychological researchers’ data” is not always understand as a kind of specific process which can’t be reduced to a number of mathematical methods. Lack in understanding of the process results in ineffective application of mathematical instrument and more over to conclusions that sometimes don’t correspond to the reality and even sometimes contradict it.

In our research by the example of empirical research and analysis of correlations between person’s cognitive styles and his/her personal characteristics it is shown that contradictions and ambiguity of presented in psychological literature data on the topic are due to inadequate mathematical methods of data processing.

Term cognitive style refers to an individual’s way of processing information. May be the most popular definition for cognitive styles was given by American psychologist Samuel Messick. Cognitive styles according to his definition are characteristic modes of perceiving, remembering, thinking, problem solving and decision making. They are inferred from consistent individual differences in ways of organizing and processing information and experience.

The problem of place and role of cognitive styles in the structure of personality has been a continuous issue for more than seventy years, since 1950-s of the past century. However, the researches in the field do not avoid typical for a number of psychological researches contradictions.

Sometimes it is the result of mistake in method of data analysis. For example, recalculcation of H.A.Witkin’s results on gender differences in ease of perception of embedded figures (Witkin, 1950) does not confirm his conclusion. To
reveal these differences the author used \textit{t-test} to compare the means of the two samples. However, as we know now this test can be used only in case of variables’ normal distribution. Recovery of given in the paper data showed that their distributions are far from normal (fig.1).

![Density Traces](image)

\textbf{Fig. 1.} Density traces for indices of time in Embedded Figures Test (recovered from Witkin, 1950)

As we know for distributions of this type adequate measure of central tendency is median and not mean which is used for \textit{t-test}. So, if “right” test is used, it can be, for example, Mann-Whitney \textit{W test} to compare the medians of the two samples, the results will be quite different. The value of \textit{W test} and its level of significance (W=361,0 \(p=0.135\)) proved the absence of difference between variables at the 95,0% confidence level. Thus the application of another corresponding to data type mathematical method gives another results, another interpretation and of course another theory.

Not only comparative analysis can be the source of discrepancies in the results but methods of interrelation study as well. Thus in different researches conducted by different authors at different periods one can find different correlations as in values and in their number between cognitive styles and personal characteristics (Cooper, Lyne, 1977, Holodnaya, 2004, Libin, 1999, etc.). The fact enables M. Holodnaya to state “correlations between separate cognitive styles and different personal features are characterized by diversity and contradictions” (Holodnaya, 2004, p. 277).

Correlation analysis of examined variables from the very beginning revealed contradictory results. Thus, the use of different correlation coefficients results in different conclusions. There are a number of different coefficients. Among them are historically first Pearson’s coefficient of correlation, rank coefficient or Spearman’s correlation and one of the latest Kendall’s coefficient of correlation.

By the example of correlation between person’s cognitive styles and personal characteristics measured by means of Kettell’s questionnaire (16-PF) complicacy and pitfalls at this stage of analysis of data connected with the study of interrelations between variables is demonstrated.

2. Method

Data for the study was received in the result of special study. 67 participants, with average age of 19, 7, students of different Moscow universities took part in the research.. Four cognitive styles: field dependence – field independence, constricted-flexible control, breadth of categorizing, impulsivity – reflectivity were examined by means of a standard procedure (Jonanssen, Grabowski, 1993). Personal characteristics as it was mentioned above were examined by means of Kettell’s 16-PF.

3. Results

The first step in the study of interrelations between variables is correlation analysis. In figure 2 correlations between one of the cognitive styles notably constricted-flexible control and personal characteristics are presented schematically. They were obtained with the help of different correlation coefficients. Cognitive style constricted-flexible control is defined as one’s readiness (or lack thereof) to review and change one’s judgment of a proposed solution to a problem. Color-Word Test (Stroop, 1935; Golden, 1978) is used for this cognitive style measuring and consists of the words in part 1, printed in the colors of part 2 and of items written as XXXX printed in either red, green, or blue ink which are to be named by color (part 3). The task is to name the color of the ink that the words are printed in rather than reading the color words themselves. The automatic word-reading response must be suppressed through volitional control. (Index Stroop_D in the
figure corresponds to difference in time of performance part 2 and part 3 \((T_3 - T_2)\) of the test, and index Stroop\(_T\) corresponds to \(T_2/T_1\) ratio.)

<table>
<thead>
<tr>
<th>Spearman coefficient</th>
<th>Kendall Koefficien</th>
<th>Pearson coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0015</td>
<td>0.0005</td>
<td>0.0015</td>
</tr>
<tr>
<td>0.0020</td>
<td>0.0010</td>
<td>0.0020</td>
</tr>
<tr>
<td>0.0025</td>
<td>0.0015</td>
<td>0.0025</td>
</tr>
<tr>
<td>0.0030</td>
<td>0.0020</td>
<td>0.0030</td>
</tr>
<tr>
<td>0.0035</td>
<td>0.0025</td>
<td>0.0035</td>
</tr>
</tbody>
</table>

Fig. 2. Correlations between cognitive style constricted-flexible control and Kettell’s personal characteristics (numbers in the figure corresponds to correlation’s level of significance)

From correlation diagrams (usually they are named graphs and theirs representations follow certain rules, but in our case they are simplified) we can see that the results of correlation analysis are different for different correlation coefficients. The number of significant correlations (from 1 to 3) and variables themselves (between Stroop\(_D\) and C, H, Q\(_4\) when Spearman correlation was used, between Stroop\(_D\) and C, H, as well as Stroop\(_T\) and C – when \(r\)-Kendall was calculated and between Stroop\(_T\) and M in case of Pearson correlation) are very different. Thus the results of correlation analysis rather puzzle and produce certain problems for factful interpretation of the obtained data. One should not forget that correlation is only statistical relation between variables and sometime we can find it between foot size and problem solving rate!

Eighteen different variables are used in our study. Such number makes it possible for us to remember about multidimensional methods of data processing and about factor analysis in the first place. Its results are presented bellow in table 1. Usually factor analysis begins with factors’ number determination. This procedure is realized after eigenvalues’ and percent of variance per factor determination. Of course, it is an ideal situation when many variables are described by a few factors that describe 100% of variance. However, it’s is a rare case. In psychological studies there is a tradition to define a number of factors either by a minimum eigenvalue either by part of variance explaining a number of factors (60% is considered sufficient enough in psychological studies). In our case if we use a rule of “eigenvalue less than one” we can chose 6-factors solution, and 4-factor solution if we use a “rule of variance”. Eigenvalues are presented in table 1 that is the basis for decision-making.

Table 1. Eigenvalues

<table>
<thead>
<tr>
<th>Variable</th>
<th>Eigenvalue</th>
<th>% Total variance</th>
<th>Cumulative Eigenvalue</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4.756440</td>
<td>26.42467</td>
<td>4.75644</td>
<td>26.4247</td>
</tr>
</tbody>
</table>
In our case according to "eigenvalue less than one" rule we have chosen six-factor solution. This decision is presented in the table of factor loadings (table 2).

**Table 2. Factor loadings**

<table>
<thead>
<tr>
<th>variable</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
<th>Factor 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>-0.189547</td>
<td>-0.092735</td>
<td>-0.042774</td>
<td><strong>0.845126</strong></td>
<td>0.141863</td>
<td>0.120580</td>
</tr>
<tr>
<td>B</td>
<td>0.668001</td>
<td>-0.092108</td>
<td>-0.181502</td>
<td>-0.065840</td>
<td>0.375471</td>
<td>0.039720</td>
</tr>
<tr>
<td>C</td>
<td>0.037880</td>
<td><strong>-0.822238</strong></td>
<td>0.202843</td>
<td>0.025343</td>
<td>0.236866</td>
<td>0.229555</td>
</tr>
<tr>
<td>E</td>
<td><strong>0.884598</strong></td>
<td>0.019721</td>
<td>0.037690</td>
<td>-0.086124</td>
<td>0.044258</td>
<td>0.303139</td>
</tr>
<tr>
<td>F</td>
<td>0.790848</td>
<td>0.211222</td>
<td>0.333253</td>
<td>0.106124</td>
<td>0.155588</td>
<td>-0.056163</td>
</tr>
<tr>
<td>G</td>
<td>-0.068981</td>
<td>0.053497</td>
<td><strong>-0.895276</strong></td>
<td>0.148114</td>
<td>0.061161</td>
<td>-0.122280</td>
</tr>
<tr>
<td>H</td>
<td><strong>0.842842</strong></td>
<td>0.011970</td>
<td>-0.044278</td>
<td>0.107062</td>
<td>0.315952</td>
<td>0.175143</td>
</tr>
<tr>
<td>I</td>
<td>0.410326</td>
<td>0.439343</td>
<td>-0.010855</td>
<td>-0.076214</td>
<td>0.606425</td>
<td>-0.245289</td>
</tr>
<tr>
<td>L</td>
<td>0.085655</td>
<td>0.598218</td>
<td>0.258646</td>
<td>0.295509</td>
<td>0.212818</td>
<td>0.473656</td>
</tr>
<tr>
<td>M</td>
<td>0.462512</td>
<td>0.120331</td>
<td>0.201706</td>
<td>0.041497</td>
<td>0.129257</td>
<td><strong>0.700097</strong></td>
</tr>
<tr>
<td>N</td>
<td>-0.269580</td>
<td>0.200322</td>
<td>-0.075799</td>
<td>0.322926</td>
<td>0.004648</td>
<td>-0.772899</td>
</tr>
<tr>
<td>O</td>
<td>-0.023997</td>
<td><strong>0.883699</strong></td>
<td>0.189960</td>
<td>0.108386</td>
<td>0.056861</td>
<td>-0.069984</td>
</tr>
<tr>
<td>Q_1</td>
<td>0.632852</td>
<td>-0.156038</td>
<td>-0.334597</td>
<td>0.033655</td>
<td>0.044586</td>
<td>0.506820</td>
</tr>
<tr>
<td>Q_2</td>
<td>-0.294015</td>
<td>0.043927</td>
<td>0.029646</td>
<td><strong>-0.831336</strong></td>
<td>0.214166</td>
<td>0.247460</td>
</tr>
<tr>
<td>Q_3</td>
<td>0.047234</td>
<td>-0.415191</td>
<td><strong>-0.763934</strong></td>
<td>-0.124907</td>
<td>0.100466</td>
<td>-0.067284</td>
</tr>
<tr>
<td>Q_4</td>
<td>0.129938</td>
<td><strong>0.883554</strong></td>
<td>0.106649</td>
<td>-0.206308</td>
<td>0.055974</td>
<td>0.058117</td>
</tr>
<tr>
<td>Stroop_T</td>
<td>0.034289</td>
<td>-0.095155</td>
<td>0.324346</td>
<td>0.292923</td>
<td>0.555432</td>
<td>0.510318</td>
</tr>
<tr>
<td>Stroop_D</td>
<td>-0.124357</td>
<td>0.260732</td>
<td>0.059691</td>
<td>-0.027828</td>
<td><strong>-0.810904</strong></td>
<td>-0.162197</td>
</tr>
</tbody>
</table>

*Significant factor loadings are marked*
Analysis of loadings prevent us from expecting interrelations between personal characteristics and cognitive style constricted-flexible control. Factor 5 includes cognitive style index but none of personal characteristics load this factor!!! According to factor analysis methodology this fact indicates the fact of independence of variables under study. In principle, we can be satisfied with this result, but some contradictions between the results of correlation and factor analyses requires to find out the solution of the problem.

As an example let’s consider liner regression equation for variable responsible for the effect of interference (Stroop_D) in cognitive style and Kettell’s C factor characterizing emotional stability. Note that we use these variables because correlation analysis reveals uncertain interrelation The following equation was obtained:

\[ C = 19.978 - 0.10111 \times \text{Stroop}_D \]

The line is presented in fig. 3

Fig. 3. Plot of fitted model

Since the P-value in the ANOVA analysis is less than 0.05, there is no statistically significant relationship between variables under study at the 95.0% confidence level. The R-Squared statistic indicates that the model as fitted explains 15.6629% of the variability. The results are obviously insufficient to decide for existence of interrelation between variables.

Therefore, in spite of the fact that correlation analysis reveals certain unstable correlations, the other mathematical methods of interrelations study (factor and regression analyses) don’t confirm the results of correlation analysis. Therefore, the results of conducted analysis enable to state the absence of regular interrelation between variables describing person’s individual features and his/her cognitive style constricted-flexible control. More over these results are confirmed by cluster analysis.

Cluster analysis is an exploratory data analysis tool for solving classification problems. Its object is to sort variables (cases, people, things, events, etc) into groups, or clusters, so that the degree of association is strong between members of the same cluster and weak between members of different clusters.

The results of cluster analysis are presented in fig. 4.

Fig. 4. Dendrogram 1.

From dendrogram in fig. 3 is obviously that variables connected with cognitive style constricted-flexible control form independent group apart from variables which are connected with personal characteristics.

The conclusion drawn out from the results of factor and regression analyses are the same. Therefore, we can be sure there is no interrelation between these groups of variables.

As for another cognitive styles observed in the study the same multistep analysis have been conducted. Its results bring us to the conclusion that variables connected with cognitive styles field dependence – field independence, constricted-flexible control, breadth of categorizing, impulsivity – reflectivity and characteristics at personal level are not
connected with each other. They are autonomous characteristics of personal characteristics at different levels of personality. Fig. 5 confirms this result.

![Dendrogram 2](image)

Fig. 5. Dendrogram 2.

Thus conducted research makes it possible to remove uncertainty connected with the identifying of cognitive styles' role of in the structure of personality and to confirm the validity of functional model of cognitive styles (Belovol, 2013). According to this model cognitive styles can be considered as “instruments” of mental image forming, that realize the main function of psyche – the reflective one. This function is “...not in the process of activation on its own and nor in generation, nor in conducting and integration of nerve impulses but in the construction of the image of the world, construction of nerve models of the world that surrounds human been” (Tchupricova, 2005).

4. Summary

1. Analysis of psychological literature reveals a number of contradictions and inconsistencies in the results of cognitive styles studies. It has been shown that sometimes it is the result of inadequate mathematical methods of data processing.
2. Empirical study of interrelations between cognitive styles and personal characteristics has been conducted.
3. By the example of analysis of interrelations between constricted-flexible cognitive style and Kettell's personal characteristics the ambiguous results of data analysis are shown to be the result of different methods' application.
4. To avoid such ambiguity one should keep in mind specific character and range of application of different methods of data processing.

References

Bedouin Rising: How Saudi Female Entrepreneurs are Leading Saudi Arabia into a Knowledge-Based Economy

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Abstract

Over the last decade, the unemployment rate of women has been triple that of men in Saudi Arabia. Cultural obstacles perpetuated by the conservative patriarchy of the Kingdom such as guardianship, gender segregation, and childcare options continue to obstruct the entry of Saudi women into the workforce. In response to these entrenched social practices, an increasing number of women have chosen to develop entrepreneurial opportunities as a way to circumnavigate these barriers. This essay examines how entrepreneurship has allowed Saudi women to transcend social barriers and achieve financial security and greater freedom without compromising their traditional matriarchal roles. Specifically, Saudi women have employed four tactics to circumnavigate barriers and achieve greater freedom via entrepreneurship. These tactics include obtaining funding from family members, exploiting higher education opportunities, leveraging technology, and utilizing social networking. By employing creative problem solving strategies, Saudi women have entered the labor force and elevated their status beyond traditional roles. These female entrepreneurs have also secured a place for their families in the middle class and achieved work-life balance through flexible scheduling. This essay concludes with recommendations for specific actions that Saudi businesswomen can undertake to maintain their place in the labor market and aid Saudi Arabia in its transition into a knowledge-based economy.

Keywords: entrepreneurship, Saudi women, social barriers, work-life balance

1. Introduction

Before oil was discovered in 1938, Saudi women performed farm work, wove wool, produced handicrafts, and tended livestock (Fallatah, 2012). After the oil boom, the number of women who worked outside of the home dropped precipitously as men stepped forward as the principal income earners (ibid.). Although the increased incomes of the Saudi men provided Saudi women with a more comfortable lifestyle, it also marginalized their participation in the labor force. In 2012, the Kingdom’s unemployment rate stood at 12.1% (Central Department of Statistics and Information, 2013a). When segregated by gender, the unemployment rate for women was 35.7% compared to only 6.1% for men (ibid.). Notably, 42.5% of unemployed women were concentrated within the 25-29 age range (Central Department of Statistics and Information, 2013b).

In response to social practices inhibiting their workforce participation, an increasing number of entrepreneurial women have started small businesses. Currently, Saudi women own almost 20,000 commercial enterprises (Doumato, 2010) or 12% of all Saudi companies, including 16% of the large manufacturing firms (AlMunajed, 2010). Female-owned businesses (registered and unregistered) operate in a wide variety of industries with many of these businesses concentrated in the creative arts such as interior design, photography, and fashion (Alturki and Braswell, 2010). Other fields with a significant presence of Saudi women include retail and wholesale, beauty salons, and professional services such as consulting, marketing, and event planning (ibid.). More than three-quarters of Saudi businesswomen directly own their operations with registered companies employing an average of 19 workers (ibid.). Further, women in the Kingdom control 40% of the private wealth, including 20% of all corporate stock, 10% of real estate, and hold bank accounts with deposits totaling $11.9 billion (Abdul Ghafoor, 2003). Through establishing small businesses, Saudi women have used the vehicle of entrepreneurship to bypass many of the social constraints that block more traditional paths to
employment in the public and private sectors. This paper will examine these cultural barriers and how Saudi businesswomen have been able to transcend them.

2. Literature Review

Saudi Arabia remains the most conservative patriarchal nation state in the Gulf Cooperative Council (GCC) regional group that includes Bahrain, Kuwait, Oman, and Qatar (Willoughby, 2008). The cultural forces of male guardianship, gender segregation, and a lack of childcare centers continue to impede the independence of Saudi women.

**Guardianship as an Employment Barrier:** In Saudi Arabia, men as the legal heads of the household generally control all decisions that affect the family (Hoveyda, 2005). In the Islamic tradition, men support their wives and families and women take care of the children and manage domestic duties (Pharaon, 2004). Based on family law originating from the Qur'an, women are considered “legal minors under the eternal guardianship of their male family members” (Hoveyda, 2005, p. 422). Accordingly, every woman has a guardian regardless of her age. Until recently, guardians had to grant permission before women could acquire an identity card or passport, enroll in school, marry, work, obtain a business license, travel or receive medical care (Andersson and Togelius, 2010). In 2004, King Abdullah issued a series of royal decrees that have begun to gradually erode the guardian relationship. As crown prince, he has authorized women to transact business, to receive bank loans, and to obtain commercial licenses without guardian approval (Ahmad, 2011). After ascending the throne in 2005, King Abdullah consolidated this shift towards acknowledging the “equal valuation” of the different contributions made by men and women (Metcalf, 2008, p. 96). By 2008, women could independently seek employment and were allowed to stay in hotels by themselves (Flynn, 2011). In 2009, the government pledged to abolish guardianship in its entirety, although no legislative action has taken place to completely eliminate this system (Human Rights Watch, 2010). Although the changes described above are noteworthy, women still cannot drive a car alone or use public transportation without the written consent of their closest male relative (Ahmad, 2011). The requirement of a guardian’s approval to travel abroad also hinders women from attending conferences and workshops and developing business relationships with international clients (Alturki and Braswell, 2010). Furthermore, women must still have an authorized male representative to manage their businesses unless products and services are provided only to female clientele (AlMunajed, 2010). Lastly, hospitals require the permission of male guardians before women can be admitted and undergo medical procedures (Andersson and Togelius, 2010).

**Gender Segregation as an Employment Barrier:** In Saudi Arabia, most work places remain strictly segregated by gender (Human Rights Watch, 2010). Recent laws seeking to affirm the right of all Saudi women to work without discrimination have been viewed as largely symbolic in nature (ibid.). In 2006, the new Saudi Labor Law dropped specific requirements that businesses have separate work areas, entrances, and elevators for men and women (ibid.). However, Article Four of the law requires all work-related provisions to adhere to the rulings of the Islamic Shari’a (ibid.). Based on Article Four of the Saudi Labor Law, clerics promptly reasserted the requirement for gender-segregated work places. Given the expense of creating separate work sections for men and women, private businesses have largely resisted hiring women. According to the Ministry of Labor in 2009, only 6.9% of Saudi females worked in the private sector compared to 17.7% of Saudi males (Shehadi, et al., 2011).

**Childcare as an Employment Barrier:** Saudi women with children face a pervasive lack of childcare facilities, both independent and business-sponsored. As of 20 years ago, only 40 daycare centers existed in the Kingdom (Bahry, 1982). The fact that childcare centers are unlicensed makes it difficult for researchers to ascertain their exact numbers, sizes and locations. However, various surveys of Saudi women indicate that the lack of childcare options prevents many women from applying for private sector jobs or even starting their own businesses. Family support systems, however, do help women to manage work and family responsibilities (Metcalf, 2008). Many consulting firms have stressed the need for more extensive social services support programs such as childcare centers (Saddi, et al., 2009). Similarly, a recent panel of business leaders, academics, and directors of non-profit organizations who gathered at the Dubai School of Government recommended the adoption of national-level policies regarding maternity leave, childcare, and transport to sustain the long-term productivity of women (Grey, 2010). Finally, a recent study found that 79.4% of working women and 70% of business managers agree that providing childcare facilities would attract more women into private sector employment (Al-Shetaiwi, 2002).

**Overcoming Obstacles and Embracing the Entrepreneurial Model:** In response to the obstacles of the guardianship system, the unwillingness of the private sector to create separate workspaces, and the lack of accessible childcare, Saudi women have started small businesses to realize their financial and social goals. Husbands and male guardians have largely supported their business endeavors because the small business model allows women to maintain their traditional matriarchal roles while proving additional income to their families. Overtime, Saudi businesswomen have
developed a pragmatic combination of solutions to transcend these cultural obstacles. These solutions include: (1) creative funding and partnership; (2) advanced education; and (3) the use of technology.

**Funding and Partnership:** In general, Saudi women utilize personal savings or funding from family and close friends rather than external financing when starting their businesses (Alturki and Braswell, 2010). Eight out of 10 businesswomen fund their companies with personal savings and 14.5% seek a loan or a contribution from family or friends (ibid.). Only 7.6% of Saudi businesswomen take out personal bank loans while 8.6% receive grants or loans from government or philanthropy funds (ibid.). A number of factors may explain why female entrepreneurs fail to apply for bank loans in greater numbers. First, a majority of Saudi businesswomen regard accessing capital to be a challenging process and prefer to have assistance from male family members (Alturki and Braswell, 2010). Second, there is a dearth of female business lawyers and accountants in the Kingdom with whom they can consult about external financing (ibid.). Most female business owners involve male family members such as husbands or uncles in the businesses either as advisors or partners. Male relatives often complete much of the initial paperwork for the business, including license registrations and occasional feasibility studies (Alturki and Braswell, 2010). While using one’s personal savings and family members to start companies may be expedient, management consultants contend that obtaining additional capital will prove essential to future business expansion (ibid.).

**Advanced Education:** Specialized education and international exposure have helped female entrepreneurs to develop the critical financial, technical, and communication skills necessary to establish successful small businesses. Saudi female entrepreneurs possess significantly higher levels of education than the national workforce. In terms of postsecondary education, 58% of Saudi businesswomen are university graduates compared to only 21.3% of the national workforce (Alturki and Braswell, 2010). Moreover, 10.9% of registered businesswomen also hold a postgraduate degree and 32.3% have studied abroad (ibid.). Saudi businesswomen also tend to pursue degrees that provide them with specific skills that can be applied to entrepreneurship. Based on Ministry of Education statistics from 2006, 28.2% of Saudi businesswomen concentrated in business disciplines compared to only 2.9% of men.

**Leveraging Technology:** Between 2001 and 2011, the number of Internet users in the Kingdom grew from about one million users in 2001 to over 12.5 million users in 2011 (Al-Mowalad and Putit, 2012). With a national population of approximately 22 million, almost 60% of Saudi citizens are currently plugged into Internet (Gamble, 2011). Based on this increase in Internet access, revenue from online transactions doubled from $278 million in 2002 to $556 million in 2005 (Al-Mowalad and Putit, 2012). The Ministry of Economy and Planning in Saudi Arabia has recognized the crucial role of e-commerce in transforming the national economy from oil-dependent to knowledge-based as noted in its long-term development plan of 2005. In a recent study, IT literacy in the Arab world was estimated to be 29.7%, which is higher than the global average of 19%. The Arab League Educational, Cultural and Scientific Organization (ALECSO) argued that GCC governments should fund digital initiatives to further increase IT literacy among women. By promoting IT skills, ALESCO contends that further technological advancement would empower women to “establish home-based businesses” to meet growing service sector demands (Scott-Jackson, et al. 2010, p. 7).

### 3. Analysis and Discussion

Saudi women utilize their own resources and partner with family members to overcome social and legal constraints through entrepreneurship. When consultants focus on how to expand their companies into international ventures, they embrace the Western assumption that Saudi businesswomen like many Western women place equal value on both business and family. Given the typically large number of children in Saudi families and the limited hours available to devote to running their companies, Saudi female entrepreneurs may only be willing to grow their companies to a manageable size that does not compromise their matriarchal obligations. Based on the research references in this essay, female entrepreneurs are beginning to tap into technological advancements such as emailing, automated customer service, new markets, and telecommuting in order to engage with other business owners. By leveraging the Internet as a fully integrated distribution channel, Saudi businesswomen could further increase operational efficiency, track buyer behavior, improve products, refine services, and better manage their supply chains. However, transitioning a company website from a passive informational presence to an interactive platform requires time, resources and strategic planning. The percentage of female entrepreneurs who have successfully developed e-market capabilities remains unclear. Networking among Saudi female business associates and women-business associations is a grossly undeveloped resource due to the overreliance on family members for guidance and funding. The effectiveness of Saudi businesswomen can be strengthened through women’s business associations such as the Saudi Management Association and the Jeddah Chamber of Commerce. Given that professional associations often build the underlying infrastructure that facilitates informal networking relationships, increasing membership in these third-party organizations...
will be critical for the transfer of tacit knowledge that promotes business learning. Networking can provide advantages throughout all stages of business development especially during expansion phases when network partners can connect with other ambitious business professionals with venture capital firms. Without accessing the power of networks, female entrepreneurs may never receive the critical advice needed from their seasoned predecessors such as how to translate novel concepts into practical plans, apply for external financing, increase customers, locate suppliers, and solve work-life balance issues. The majority of Saudi businesswomen agree that the small business model offers inherent flexibility to generate income for their families and fulfill their matriarchal roles at the same time. In maintaining work-life balance, female entrepreneurs have benefitted from the support of family, flexibility of hours, and the availability of domestic servants. Given that most businesswomen are married with several children, both spousal encouragement and domestic help appear to be essential factors in accomplishing both professional and household responsibilities.

4. Conclusion

By utilizing their personal savings and family resources for business funding and formation, Saudi women have entered the labor force and elevated their status beyond traditional roles. As Saudi businesswomen seek to improve operations and diversify product lines, an increase in the number of female lawyers, accountants and consultants in the Kingdom is needed to provide critical guidance regarding external financing options and business formation strategies. Female entrepreneurs could also benefit greatly from further networking to acquire new business skills, access new markets and bolster social capital. Collaborative networking could further facilitate the rapid transfer of tacit knowledge, increase operational efficiencies, augment customer referrals, advance technology, and encourage innovation. By pooling their considerable wealth to form venture capital firms, Saudi women could also obtain additional funding sources to exploit new business opportunities presented in a knowledge-based economy. The government could assist in this effort by sponsoring digital initiatives to encourage the establishment of home-based businesses by offering e-learning programs, subsidizing the acquisition of computerized systems, and providing free Internet access for limited time periods. Many information intensive businesses such as financial services, translation and tourism, conform to the home-based model. Moreover, certain knowledge-based services can be outsourced to women working from home, such as telemarketing, market research and helplines. While a great deal of information about business funding and formation has been gathered, additional research is needed to investigate how female entrepreneurs can continue to capitalize on new opportunities to lead Saudi Arabia toward a knowledge-based economy.

References


Branding Strategy for Non-Profits in Developing Countries: Case Study - Albania

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Abstract
Regardless developed or in developing countries, the world has experienced a sudden expansion of the Non-Profit sector in recent decades. This happen because the non-profit sector is very important for the whole scheme of a country life and the rapid changes in environmental conditions. Actually dozens of nonprofit organizations operate also in Albania. However, the increase in the number of these third sector organizations has not been accompanied by an equal growth in the availability of human and financial resources. This has led to an increase in competition between nonprofit organizations for the limited sources of revenue and volunteers available. As nonprofit sector has become more competitive it is important to be able to build strong brand identity, image and personality in order to differentiate themselves in the growing nonprofit sector. In this study the two main concerns are, branding and increased competition between nonprofits. So the purpose for this study is to demonstrate the use of brand management to create distinction, and the challenges of merging branding methodologies into nonprofit organizations that operate in Albania. The data to conduct this paper were collected from the contemporary literature in this field and using a qualitative research through in depth interviews with managers of a nonprofit organization that operate in North Albania – “I CARE”. Results demonstrate there is more informal than a formal process to evaluate its brand by nonprofit organization that operates in North Albania.

Keywords: Non-Profit Organizations, Competition, Branding, Challenge, Marketing.

1. Introduction
The non-profit sector is very important for the whole scheme of a country life. Dozens of non-profit organizations actually operate in Albania. During the last 20 years there has been a significant increase in the number of non-profit organizations, because of the rapid changes in environmental conditions. As a result there is a growth in competition among organizations that operate in this sector.

As nonprofit sector has become more and more competitive in seeking sources of revenue and volunteers, it is important to be able to build strong brand identity, image and personality in order to differentiate themselves in the growing nonprofit sector (Hasaj,A and Kruja,D, 2012).

The use of branding in traditional for-profit organizations has led to well recognized logos and company names that have become a part of everyday culture. Brands become important during 1990 for nonprofit companies too, in order to differentiate themselves. As result, nonprofit management has borrowed age-old marketing strategies from mainstream corporations to increase awareness and effectively compete against all force that seek contributions. So the commercialization of non-profit organizations through marketing mechanisms has recently become important.

By surveying relevant issues confronting nonprofits, such as the new paradigm for strategic management, a greater understanding into key issues facing nonprofits survival in the 21st century can be uncovered. Another core element of relevancy lies in the commercial value of any organization’s message. The sheer number of communiqués in both the commercial and nonprofit world has vastly increased and diluted the meaning of any one brand. In response, nonprofits have turned to traditional marketing theories and practices in order to differentiate themselves to compete for scarce resources.

In consideration of these challenges, a case study was developed to examine the brand management utilized by a nonprofit and strategies employed to combat the new landscape of competition.
So the purpose for this study is to demonstrate the use of brand management to create distinction, and the challenges of merging branding methodologies into nonprofit organizations that operate in Albania.

The data to conduct this paper were collected from the contemporary literature in this field and using a qualitative research through in depth interviews with managers of a nonprofit organization that operate in North Albania – “I CARE”.

### 2. Branding in Nonprofit Organization and Definitions

Given the intention to examine the brand management practices to the nonprofit organizations, it is important to begin by defining what we mean by this term. The nonprofit organizations can be defined as an institution that exists to provide for the general welfare of society, through the marshaling of appropriate resource and/or the provision of physical goods and service. Such organizations do not exist to provide for personal profit or gain and do not, as a result, distribute profits or surpluses to shareholders or members. They may, however, employ staff and engage in revenue-generating activities designed to assist them in fulfilling their mission (Sergante, 2009).

Traditionally, nonprofit organizations relied on three sources of revenue: governmental support, voluntary donations and grants. Until the late 1970s, the federal government was the single largest supporter of charitable nonprofit organizations in the world (Borman, Anne and Clarence Lo, 1995).

Nonprofit organizations now face a scenario familiar to the for-profit sector: just as for-profit businesses compete for consumers, demand, nonprofits have to compete for the donation capacity of the philanthropic community, and only the most visible succeed (McDanel, William G, 1983). The concept of branding presents nonprofits with new opportunities to address competition and to increase contributed and earned income.

Brands have always been vital to the promotion and selling of products throughout history. The term “brand” is a name, term, symbol or design (or a combination of these) which is intended to indentify the product or services of one seller or group of sellers. A brand name serves to differentiate a product from those of its seller competitors (J. Sutherland and D. Canwell, 2004. P. 42). A brand can symbolize a product, a service, or the organization itself (Andreasen R. Alan, 2008. 166). James Twichell likens branding to storytelling and argues that much of what we know about ourselves comes through brand (James Twicheller, 2004).

The Brand Strategy Doctrine is the process for developing and communicating a brand identity. It consists of a detailed strategy for designing, creating, and communicating intended brand perception. In addition, it defines the character, style, and collective architecture (name, byline, graphic representation, etc.) of the brand. The outcome from this activity delivers a set of perceived values that the organization wants to reside in the consumer’s mind eye. Al Ries and Jack Trout (Ries, 1994) said brand it best - “perceptions, not products.” The net result of this process ensures that all elements support “what the brand stands for” and that the desired perception is achieved.

Whether there is a new organization going through the critical process of finalizing their mission statement, or a mature organization trying to integrate and redefine their online and offline personality, branding is an important part of a nonprofit’s identity.

As stated in a Harvard University discussion paper, “Effective branding is becoming a central concern of leaders across the nonprofit sector as many nonprofit managers feel increasing competition from other nonprofits, for-profit businesses, and new organizations that claim to blur the boundaries between nonprofit, for-profit, and public sectors” (Thomas Remya, 2012).

Private sector marketers spend enormous amounts building and defending their brand. Nonprofit organizations are coming to realize that they have much to learn from their experiences (Andreasen R. Alan, 2008. 167).

There are breadths of issues facing nonprofit organizations today. As it noted by searching, nonprofits face a multitude of issues including government legislation, competition, accountability, management effectiveness, and adapting to the changing marketplace of donors. Nonprofits attempt to balance the need to raise funds, provide satisfaction to donors, and serve the public trust, can best be captured in the societal marketing theory. As nonprofits face this new competitive threat, several issues are raised concerning the viability of nonprofit’s purpose and underlying values to society. If nonprofits shed their inherent role to care for the community and switch to a corporate mindset, many vital services and reinvestment into the community will be lost. So, not everyone in the nonprofit sector thinks that an emphasis on organizational branding and positioning is a good idea for nonprofits (Spruill Vikkki, 2001. 45-46).

The nonprofit world – especially advocacy groups working in fields such as health, education, and the environment – can ill afford to wage corporate-style branding battles. Instead of helping charitable groups work together to build a broad base of support from donors, volunteers and activist, branding becomes a barrier. It foster unhealthy competition among nonprofit groups for visibility, promotes the hoarding of proprietary information, and leaves donors confused about how their support is making a difference.
The idea that a nonprofit would perform like a for-profit in order to differentiate itself, it can cause competition and perhaps result in questionable practices by nonprofit leaders.

But expect this, Kevin Lane Keller (2003), an expert on branding, explain that an organization’s branded offerings can serve several role:

- Reflect a unique social contribution,
- Comprise a promise to target audiences and stakeholders,
- Reflect the organization’s mission and values.

Indentifying a nonprofit brand as having high value can motivate various stakeholders to contribute more – work harder, volunteer more, donate more and reap personal pleasure from involvement with such a powerful and highly valued institution.

Nonprofits that are perceived to have clear, identifiable social good values in sync with its mission are at a strategic advantage over ones with vague goals or unclear identities. There are different approaches to a successful branding process, but the main goal should be to start, or continue, a conversation to build a lasting relationship with stakeholders.

A study of consumer trust in brands in Europe and United States by Edelman Public Relations found that the top four most trusted brands in Europe were actually nonprofits (Andreasen R. Alan, 2008. 171). Another study conducted by Edelman on people trust revealed that the total levels of trust for nonprofit organizations rise from 58% in the year 2012, to 63% in 2013. This result is higher than the total level of trust in 2013 for government institutions with a result of 48%, business with a result of 58% and media with a result of 57% (Edelman Trust Barometer, 2013).

3. Research Method

The purpose of this research was to examine if brand management create distinction, and the challenges of merging branding methodologies in the nonprofit organization “I CARE”, a nonprofit organization that operate in North Albania at Shkodra city, Albania.

According to Merriam (1988) a case study is a format in which the researcher explores a single entity or phenomenon (“the case”) bounded by time and activity (a program, event, process, institution, or social group) and collects detailed information by using a variety of data collection procedures during a sustained period of time.

The application of qualitative research consisted of in-depth interviews with organizational members. In addition, a review of their collateral material, financial statements, press releases, and other promotional materials was examined for content and message. Senior management was targeted for interviews since they are responsible for the vision and mission of the business as well as other key individuals who have direct input into the generation of promotional materials.

The site location for this study was primarily located at the office of the “I CARE” organization in Shkodra, Albania. An in-depth interview technique was used, which consisted of unstructured, open - ended questions to solicit an understanding of how the organization perceives itself. These questions are geared toward uncovering the perceptions and attitudes the collective governing body has about their vision, mission, and strategies to achieve both short and long-term goals. This approach was developed to gain a deeper understanding of the issues their brand faces and by which process they solve their problem.

The secondary data were also used in this study which was achieved through an extensive literature review on the brand management practice of nonprofit organizations, but what was achieved through this data was only theoretical.

4. Case Study

To consider the brand management in nonprofit organization it was considered as example “I CARE”, a nonprofit organization that operate in Shkoder, Albania.

The idea to create this nonprofit organization was initiated on the year 2008, in Shkodra city, during the visit of Michele Gesualdi, one of the students of Don Dalan a Catholic priest who all his life dedicated to the youth from the area of Barbia in Italy. During the moment of signing the establishment chart a very important person participated and sustained the creation of this association and he was Don Carlo Zaccoro.

Currently the number of registered members who voluntary support the activities of this organizations, are over 20 people. This society, for the third year organizes in area of Shllak, in collaboration with Dom Ardian Arra, summer camps with children from this area. Other activities that they develop are: Recovery School, Animation and Collective Lunch. The main partners of “I Care” organizations that help in organizing of these activities are associations like: Mosaico, Misericordia, Madonnina Del Grappa.
The vision of the nonprofit organizations, “I Care” is:

“God has given us hope and our task is to organize it. Difficult times are not moment to cry, but to turn the hardship in force, in desire to live, in happiness through friendship, forgiveness and love”.

The mission of “I Care” is:

“To dedicate our lives to the poorest, humble, loneliest, those who have no support, those who the society has abandoned and excluded”.

Which are other activities that “I Care” organizes? One other major social project is “I and the other”. It was called by this name, based in the mission that the organization have. “We do not conceive our life, without the other…”. Whereby this project, “I Care” wants to come in helps of children’s who lives in periphery of the city and suffering from malnutrition problems.

This project was launched in February 2008, and during the period of school attendance it become possible to be given a warm lunch about 90 children per day. The nonprofit organization “I care” currently operate with the children of the poor families who attend the school “Ndoc Mazi” and children who continue to attend the activity near the center “Ravasko” at the train station.

The nonprofit organization “I Care” and the emergency group “Sacra – Vita”, in collaboration with Shkodra Prefecture, on 08.01.2010 have provided assistance in one of municipalities of Shkodra region, as result of floods. During this period the association “I care – Sacra VIta” has contributed serving food to Egyptian community.

Other activities:

“i Care” in cooperation with the nonprofit organization “Madonnina del Grappa”, ‘ACLI-IPSIA”, and “RAVASCO”, has implemented a project funded by the municipality of Forli – Italy and supervised by Shkodra municiplality. This project aimed to support 20 girls taken from Shkodra Child Home (children without parent), and rehabilitating them at “Family Homes”. “I Care” covered the psychological - educative aspects of this project, with a skilled staff of seven people.

“I Care” has covered psychological and social aspects also of a project, which was organized by a nonprofit organization “VIS” and has been supported by MAE (Ministry of Foreigner Affair), Italy. This project it was implemented in the area of Tamar, Lepurushes and Kelmend. “I Care” gave its contribution with three young psychologists.

Currently, the volunteers of “I Care” are taking part in different courses in the field of sociology, in order to increase their capacity to work and serve people in need, everyday. These courses are supported by “ACLI-IPSIA”, “SHIS”, and “É.V”, “CARISTAS”, etc.

“I Care” in Shkodra city, operates on the basis of Albania legislation on NPO (Nonprofit Organization). But they consider that Albania legislation is not really in favor of nonprofit organizations that operate in this country. If they develop economic activity to fund its operations they are treated as businesses and not as social initiatives.

Recently in Albania are operating more and more NPO, which have a positive impact in this country. But the competition might be considered in the situation when there is the need to win grants, and the one who finds these has been the most successful. For “I Care” more than competition, this means also collaboration with other NPO, because all are working to improve social condition. It is the mentality of cooperation, what differentiates “I Care” organization from its competitor. But to have a greater collaboration is essential to build a local infrastructure and a network with other nonprofit organizations. For this reason “I Care” has sought dialogue with other organizations.

Nonprofit organizations now are facing a scenario familiar to the for-profit sector; nonprofits have to compete for the donation capacity of the philanthropic community. The concept of branding presents nonprofits with new opportunities to address competition and to increase contributed and earned income. The brand used by “I Care” is simple and explain that the organization care for all people especially fort them that are in need. For “I Care” organization in Shkoder city, his brand means “I Take Care for You”. This brand was created based on the motto of Don. Dalani.

“In a society that is pushing towards individualism and selfishness, this brand calls the youth to care for those who are in need. A society cannot be considered such as they are, if they do not take in consideration the problems of the others”.

On the figure number 1, the heart at the top of the letter (i) means love, heart and sustain. Shkoder, Albania means where the center of operations of this organization is. What it means read color? Red is the color of power and passion. Haller says it can also be linked to excitement, energy, and physical courage (Stanger.M, 2012).
“I Care” has had less experience with branding at the campaign level. They see their positioning challenge at the organization level to be one of differentiating their brand so as to get more donations, more volunteers, and more support from business organizations and politicians. “I Care” organization appreciate that their brand from 1(one) to 10 (ten), has 7 (seven) positive impact of its brand in the eyes of donors, government and volunteers.

Developing, nourishing, and maintaining a brand is a challenge task. For many organizations that place great emphasis on their brand, it must be a continuing focus. The organization “I Care”, do not have a single person responsible to develop his brand, but all the employees in this organization try to contribute on this aspect. The organization explains to the new employees the vision, mission and the meaning of their brand, “I Care”.

Not all branding today among nonprofit organizations is at the organizational level, and for “I Care” organization is the same. Responsible for the graphic presentation of the brand for this organization is outsourcing, and currently is served by "Rozafa Print and Design" a agency that operetta in Shkoder. A well designed brand image is no longer a 'nice to have', but of incredible value to the organization. A strong brand image conveys an appealing and consistent image across mediums, stimulates engagement, confirms credibility and ultimately motivates action and advocacy for the nonprofit.

The nonprofit- branding don’t understand marketing of branding and see it as some kind of violation of charitable purity. This is one of the reasons why it has little initiative from “I Care” in Shkoder, Albania for promoting their brand. They don’t have also the experience or understanding to deliver effective branding strategies. However, spending human and financial resources on this important task is a low priority, often regarded as a frivolous investment.

Branding is important for social change, not just fundraising! Branding is important to all organizations, large or small!

5. Conclusions

In this paper, it was reviewed the background of the competition in the nonprofit sector discussing nonprofit branding as a potential solution to achieve long-term competitive advantages in order to increase a nonprofit’s chances of survival and the challenges of merging branding methodologies into nonprofit organizations that operate in Albania. It was considered the example “I Care” organization that operates in North Albania.

The idea to create this nonprofit organization was initiated on the year 2008, in Shkodra city. The activities that “I Care” organizations develop are: Recovery School, Animation and Collective Lunch. Currently the number of registered member who voluntary support the activities of this organizations, are over 20 people The main partners of “I Care” organizations that help in organizing of these activities are associations like: Mosaico, Misericodria, Madonnina Del Grappa.

To conduct this research it was employed case study method and a case study was created about “I Care” organization in Shkoder region, Albania. The case studies method is considered useful in research as they enable researchers to examine data at the micro level. Although case studies have various advantages, in that they present data of real-life situations and they provide better insights into the detailed behaviors of the subjects of interest, they are also criticized for their inability to generalize their results.

The ability of an organization to thrive and stay relevant in the marketplace is difficult. “I Care” organization in Shkoder, Albania operates primarily in a specialized or niche market. For “I Care” the word competition means somewhat collaboration with other NPO, because all are working to improve social condition. And the mentality to cooperate is what differentiates “I Care” organization from its competitor. But to have a greater collaboration is essential to build a local infrastructure and a network with other nonprofit organizations. For this reason “I Care” has sought dialogue with other organizations.

They also consider important the concept of branding because presents nonprofits with new opportunities to address competition and to increase contributed and earned income. For “I Care” brand means standard and quality. But the nonprofit branding process has the difficulty to implement. The uniqueness of the environment and the added difficulty
of branding in the nonprofit sector compel nonprofit organizations to develop more creative strategies and solutions. Branding strategies borrowed from for-profit businesses are not always applicable in the nonprofit setting.

During the assessment, it was clear that “I Care” organization in North Albania is lacks of a formal process to evaluate its brand. Although the organization possessed a clear vision, mission, and philosophy statements, no observable process was observed that reflected on the current state of the brand. A brand audit and a competitor analysis will give to the nonprofit organization a good sense of (1) the qualities that differentiate them from the competitors (2) any inconsistencies in major public-facing expressions of their brand, like the website or brochures (3) opportunities that are being under-utilized, which could lead to expanded services or increased donor pool (4) improved cohesion of their internal and external messaging and its lasting resonance.

In closing, “I Care” organization in Shkoder, Albania, could enhance its brand perception in this area by employing the Brand Strategy Doctrine. Developing, nourishing, and maintaining a brand is a challenge task. For “I Care” organizations placing a great emphasis on their brand, it must be a continuing focus.

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Narrator in the Biographical Novels: A Typological Comparison

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Abstract

The notion of the image of author was introduced to the subject of literature by the Russian critic V. Vinogradov in 20th of the last century. M. Bakhtin, R. Barthes, V. Khalizev and others developed the theory working out the types of image of author, voice, narrative techniques. Nowadays this problem is still being the center of attention of literary criticism and different approaches make clarities to it from various aspects. In the research we attempt to discuss about the image of author in the two biographical novels and show the similarity and diversity of styles being used. Through the typological comparison of American ("The Agony and the Ecstasy" (1961) by Irving Stone) and Uzbek ("RuziChoriyev’s last will" (2008) by N. Normatov) novels we try to elicit author’s point of view and give our interpretation.

Keywords: Biographical novel, point of view, narrator, limited-omniscient narrator, stream of consciousness.

1. Introduction

If the personages of a literary text are considered to be a form of expressing the idea of a work, the image of author is an element which helps to cohere the separate parts into wholeness, to centralize the viewpoint thus constructing the literary work.

The notion of the image of author was introduced to the subject of literature by the Russian critic V. Vinogradov in 20th of the last century. M. Bakhtin, R. Barthes, V. Khalizev and others developed the theory working out the types of image of author, voice, narrative techniques. Nowadays this problem is still being the center of attention of literary criticism and different approaches make clarities to it from various aspects.

According to M. Bakhtin, the author is inherent in all artistic works. He can be even, perceived in the art of painting though the attendee can’t see him straightforwardly. The image of author is really existing, - he says, - and he differs from other images (personages), and there is the author who created him. (Bakhtin 2004, p. 306)

The theorists are still investigating the problem and now “Much of the work in narrative theory has involved attempts to discriminate among different kinds of narrators (first person or third person, objective or subjective, reliable or unreliable, so-called ‘omniscient’ or not, together with questions concerning his or her ‘point of view’, his or her ‘voice’ and so on). (Bennett, Royle, 57) It shows that the author creating his literary work intentionally chooses a technique of narrating which defines the essence of the image of author.

2. Analysis and Discussion 1: The Agony and the Ecstasy

In the article we attempt to discuss about the image of author in the two biographical novels and show the diversity of narrative styles being used. Through the typological comparison of American ("The Agony and the Ecstasy" by Irving Stone) and Uzbek (RuziChoriyev’s last will) novels we try to elicit author’s point of view.

Irving Stone’s biographical novel “The Agony and the Ecstasy” (1961) is about Michelangelo, sculptor, painter, architect, poet, and engine who influenced on the development of the world art. A masterpiece in its own right, this novel offers a compelling portrait of Michelangelo’s dangerous, impassioned love, and the God-driven fury from which he wrested the greatest art the world has ever known.

In his novel Irving Stone uses limited-omniscient point of view. The main character in the novel is Michelangelo and the author tells or unfolds the events from his point of view. In the episodes and the scenes Michelangelo is the center of revelation and the reader sees the events and other personages from his point of view. Free indirect style helps the author combine the narration in the story which concedes to dynamic development of the plot thread and point of view of the main personage.
Historical events, personages in the book are depicted to the reader the way Michelangelo sees and feels. Irving Stone uses this style in other of his biographical works too. This is his principle of creating a biographical novel. He always depicts historical reality in his personage's viewpoint.

For example setting in novel is depicted from the thirteen years old Michelangelo and his friend's viewpoint.

“They made their way along the Via del Corso and saw on their right through the narrow slit of the Via dei Tedldini of the red tiled Duomo and after another block, on their left, the Palazzo dellaSignoriawith its arches, windows and crownings of its tan stone tower penetrating the faint sunrise blue of the Florentine sky. To reach the Ghirlandaio’s studio they had to cross the square of the Old Market, where fresh beefs, cut down to the back bone and opened wide, hung on pulleys in front of the butcher’s stall. From here it was but a short walk past the street of the Painters to the corner of the Via Dei Tavolini where they saw the open door of the Ghirlandaio’s studio”.(Stone, 476)

In excerpt above, the Florence streets are described from the point of view of the main hero. Both boys are going along the streets to the Ghirlandaio’s studio in the aim of studying painting and on the way they saw and cross(underlined) some places which the reader sees and crosses too. The author pays attention to the details his hero sees. Together with Michelangelo reader walks along the streets and becomes the witness of the following. Buildings, their arches and windows, blue Florentine sky, butchery, then Painter’s street and at last the studio – all these unfold before the reader. I. Stone himself mentioned following: “In the biographical novel a basic tenet is that the author must stage his story as though it were happening right now; he may not emerge at intervals to inform the reader of what will happen two or twenty or two hundred years later. The reader may never be in possession of information which is not available to those who are acting out the day-by-day passion of their lives. The story must unfold for the reader even as the pageant of events unfolds for the participants.”

With the help of this tenet author acquaints the reader with many contemporaries, famous artists, members of the Plato academy. The personage(historical person) of Rafael Sanzio’s portrayal is depicted in the following way:

“Michelangelo liked Rafael Sanzio immediately. He had a sensitive, patrician face, with wide, gentle, perceptive eyes, a full-lipped but disciplined mouth; long, luxuriant hair; fastidiously kept: as exquisite a face as Leonardo da Vinci’s, yet in spite of a creamy skin, altogether manly. He carried himself with an expression of gracious warmth. His strong face was imbued with confidence, but there was not the slightest trace haughtiness. His clothes, too were as fine as Leonardo’s with a white shirt and lace collar, richly colored cloak with tight- fitting cap to match; but he wore no jewels or scent. The beauty of the soft-spoken young man’s face, figure and clothes did not make Michelangelo feel ugly, awkward or shabby, as Leonardo’s inevitably did”.(Stone 1981, p. 747)

Rafael Sanzio, twenty one year-old admirer of Michelangelo’s art and beginner of his experience is introduced in excerpt above. The author does it in Michelangelo’s point of view. Michelangelo likes the young man from acquaintance. In spite of his dressing like Lorenzo (Michelangelo disliked Lorenzo’s fine dressing and accurate hair) Michelangelo appreciates Rafael’s sincerity. Author enters the thoughts of his personage and describes his inner feelings, and thinks the way Michelangelo does.

Irving Stone describes historical events in the same way. XVI century political events in history of Florence are unfold before the reader in the main heroes reflection. Example:

“With the fall, Florence became embroiled in an international dispute that could lead to the city-state’s destruction. It was all happening, Michelangelo gathered, because Charles VIII, King of France, had built the first permanent army since Caesar’s legions, constituting of twenty thousand trained and heavily armed men. He was now bringing that army across the Alps and into Italy to claim the Kingdom of Naples through inheritance. During Lorenzo’s lifetime Charles VIII would have been too friendly to the Medici to threaten a march across Tuscany; if he had, Lorenzo’s allies, the city-states of Milan, Venice, Genoa, Padua, Ferrara would have closed ranks to keep him out. But Piero had lost these allies. The Duke of Milan had sent emissaries to Charles, inviting him to Italy. The Medici cousins, who had been at Versailles for his coronation, assured the king that Florence awaited his triumphal entry”.(Stone 1981, p. 622)

In the example above politically unstable situation is reasoned in Michelangelo’s point of view. Lorenzo, the governor of Florence (Michelangelo’s sponsor) died and after this there was a situation liable to failure or catastrophe in the territory. Further, Michelangelo considers that Lorenzo was in good relations with all of his allies. For this reason French king Charles VIII did not dare to attack Florence. But now situation was different, Michelangelo thinks, that is why French king was invading. He gathers that there are even supporters of French king among Medici. All these reader sees from Michelangelo’s point of view and witnesses historical events too.
As we see limited-omniscient point of view makes the personage closer to the reader. His point of view is prevailing in the story and liable to make reader trust the narration. Every time limited-omniscient narrator enters the thoughts of main personage and analyses the situation expressing attitude. Thus, natural historical atmosphere appears in the novel. Lively image of historical personage is formed.

3. Analysis and Discussion 2: RuziChoriyev’s Last Will

In the process of analysis of the two mentioned biographical works we observed similarities and differences of them. Uzbek novel “RuziChoriyev's Last Will” differs from I.Stone’s, and at the same time it has analogies. The different point is in the narrating style. The similar point is also in type of narration. This is because the Uzbek novel has a special, genuine way of narrating. Different viewpoints have been used in it. The compositional-structural feature of it is complex.

Speaking about the plot of the work, it is dedicated to Uzbek artist. RuziChoriyev made an outstanding contribution to the development of national painting. His works mostly national in character are appreciated by people. The book offers a wide description of the painter's works and gives clarities to them. The biographical novel does not have chronological order. It is rather descriptive and explanatory. Events come out from the topics discussed. In the first part of the novel the discussion is held by the narrator and the artist. The second part is a psychological one. It consists of premortal memories, thoughts and analytical lifessummarys of a hero. The third part consists of NodirNormatov’s own recollections connected with painter and documents (letters, poem, articles of the painter) to help the reader to feel authenticity of the story.

Speaking about narrator, in the first part of the novel author directly creates his own image. He appears as an narrator. He is a minor personage and a friend of the main hero. As a result of this kind of narrator technique, a relationship between author and artist appears in the novel.

At the beginning of the novel the writer mentions about himself “At first I wanted to write from the name of Ruzi aka(Aka – brother. In Uzbek the word is used to show respect to elder people). Later, you see, everything what I knew, heard, observed began to flow in. As a result, the work composed on artist's and my own point of view. The aim, is the third point of view - reader's - about art, new opinion of life; important thing is this” (Normatov 2008, p. 4) This way writer himself enters the novel as a hero and writes his direct attitude to other personages and objective reality. He helps the reader to understand the world of art. The dialogue between the author and artist helps to comprehend the concept of RuziChoriyev's creative works. Obviously, the reader perceives it. The image of author helps to understand the artist's life and the world of fine arts.

As it was mentioned above, the first part of the work “Rainbow’s home” is in the form of the dialogue, conversation between two friends. Author asks about landscape, painting, sketches and so on, and the painter answers the questions from his own viewpoint. The speech and viewpoint is rather dramatic. The words and the roles are clear and obvious. The writer distributed the words and opinion to the narrator and the image of painter. “It was a starting day of the exhibition devoted to the genre of landscape in Tashkent. I visited and went to the artist's studio to find answers to some questions arisen in my mind...”

- “Ruzi aka, what is landscape in your understanding? What are the peculiar features of it?
- “What is landscape?” The answer to this question of one artist can be different from another's. It is natural. Why? The reason is that each creator has his own attitude to creativity, life and genre... But for me landscape it is not only place, but more than the whole universe, whole world. I would rather say it is the scenery of impressions in the heart. (Normatov 2008, p. 47)

Reader witnesses this kind of conversation and gets information. Painter directly speaks and his attitude to the matter is perceived. It is a kind of publicist style.

Speaking about author's attitude in the novel, it is written in the chapters named “Notes from the authors dairy” and in the third part of the book. He tries to elicit his own viewpoint from the narration. Thus, it becomes easy for the reader to see narrators opinion about the matter. From the next example it is possible to see the author's attitude. “One day I met RuziChoriyev mourning. Looking at me he said: Picasso died. I imitated his constant working. Now he is gone.” he said.

I was surprised at Ruzi aka’s admiration for Picasso. Because I never saw any work in RuziChoriyev’s creation written under the influence of Picasso. But I am sure if his works transmitted into sculpture, ceramics and panel, the new features of his work will brilliantly shine out. Because RuziChoriyev's works are imbued with great monumental features like ancient wall paintings of Afrosiyob and Varakhsha. (Normatov 2008, p. 53)
In this place the author is not an omniscient narrator, but comes as an art expert. He puts RuziChoriyev and his works on the same level as the world titans. He evaluates them highly. He compares his personage’s works to those frescos on the Afrosiyob and Varakhsha walls, created in VII-VIII centuries AD, which are considered to be a part of Uzbek history. This way the special image of author in the novel combines painter’s life events, images of the pictures, attitude to the artist’s creation. He puts in order the facts. He interprets the essence of the pictures analyses them. As Ya.Kumok says “if a writer does not introduce the individuality of the author to his work, he will cuts the nerve of it.”(Kumok, 28) This idea fully finds its reflection in N.Normatov’s novel. It is materialized. That is to say the image of author “the nerve of the work” having its own image develops the events, analyses, interprets, explains- stands the same level as the personage.

Thus, we can say, in the first part of the book author uses dramatic point of view, which clarifies the roles, the speech of each character. For this purpose he uses I narrator to show his own attitude and understanding.

An interesting feature of the novel is that the second book “The Last days of artist” has a different narrator that is limited-omniscient. In this point one can observe similarity with I.Stone’s biographical novel. Limited-omniscient narrator enters the thoughts of painter and reads his memories. “Beginning of the January 2004. The weather was warm. Though the living-room was heated well, artist covered his feet and was lying on the sofa. His body was freezing but brain was working like a clock. “Why did this happen? Once when I was ready to die, God did not allow that? It seems time has come. But why did not I die then?” - thought the artist. (Normatov 2008, p. 94) Thus the recollections continue to flow.

Stream of consciousness technique, inner speech develop the narration.

The other technique used by the author is “the chain of associations”. Recollections are combined with the help of chain - the letters and photos from the old portfolio remind the main hero the past days. Associations connected with papers pictures, even some voices cohere into text wholeness. Example:

Artist took the newspaper, putting it into a black portfolio (His daughter Roksana had thrown it in the garage. He found and brought it back home.) found Malinovsky’s letter. Malinovskiy was a general in times when Ruzi was in an army. Thirty years later he found him in Odessa. When he began reading the letter from Malinovsky’s the pain in his belly got to abate. (Normatov 2008, p. 126)

After narrator’s speech, author introduces real Malinovskiy’s letter. This way the other objects associate recollections and help the author to develop the narration.

4. Conclusion

From the above given examples and analyses of the image of author in the biographical novel it is possible to conclude that the narrator in the biographical novel, like in ordinary novel, can be of a different type. It can be omniscient, limited-omniscient, first person narrator or any other to combine the thoughts and the events, philosophy and ideas, in common the objective reality in which biographee had existed. Thus, he can observe, evaluate life events from different angles and increase the impact on the reader.

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Richard Wagner's Parsifal at Bayreuth and 21st Century in the World: From the Viewpoint “Mitleid (Compassion)” using Interdisciplinary Studies

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Abstract

Parsifal (1882-) also called Bühnenweihfestspiel is known as Richard Wagner's Opera concerning about Legend of Holy Grail’s Knight in Europe, and that Parsifal had become the final work of Wagner’s life and been completed at Bayreuth in Germany at last and played on for the first time and decided Bayreuther Festspielhaus as the only place by his testament at that time. The aforementioned, I will point out that Bayreuth had historically the Legend of Holy Grail’s Knight in Europe to draw Wagner's Parsifal to Land of Bayreuth, especially the time of Bayreuther Markgraf G.Wilhelm, and next Markgraf Friedlich and Markgräfin Wilhelmine in 18th century. Beside, after the Second World War, this Parsifal with sprit of Mitleid (Compassion) is alive and evolves even nowadays. And I state by using Interdisciplinary Studies such as history, literature, religion, geography and cross-culture or mysticism that these Essences of Parsifal are not Germanic Hero like propaganda of Nazis era but mutual understanding, sympathy, and cooperation such as Mitleid on human being around the world.

Keywords: Wagner, Parsifal, Bayreuth, Mitleid (compassion), Markgraf G.Wilhelm, Markgraf Friedlich and Markgräfin Wilhelmine

1. Introduction

German Composer Richard Wagner (1813-83) who stayed at Bayreuth in Germany at the late of his life time, built opera house for his works of opera and at last completed Parsifal called “Festival opera sacred stage” (Bühnenweihfestspiel). This thesis mentions about intimate relevancy between these Legends of Holy Grail’s Knight in Europe that is main theme of Parsifal, and Bayreuth City using inderdisciplinary approaches, such as historical, geographic, religious, cross-cultural viewpoints. Bayreuth that was founded at German east frontier in the Era acadimical called “12th Century Renaissance” bloomed culture of European middle-age, was city used as Crusader’s important routes by intimate relevancy of Bamberg bishopric, besides crossed Idea and Culture between European Christianity and Arabic Islam world. Therefore, surrounding area of Bayreuth had Legend’s world of Holy Grail’s Knight described Perceval ou le Conte du Graal (Perceval) by C.Troyes (1140- end of 12c.), and Parzival by W.Eschenbach (1160or80-approx. 1220).

As far as prior research about relationship between these 3 works (Perceval, Parzival and Parsifal) and Bayreuth City, it remain a few view point of literature, thus, historical and geographical or cultural-exchange approach is nothing. Moreover regarding between Perceval and Parzival in 12th Century Renaissance do not enough about these approaches, Holy Grail’s Knight of 3 works was consecrated as Hero and Savior to unclearly remain and not to strictly research on historical meaning of these works. Therefore, by Nazis in the first half of 20th century, Legends of Holy Grail’s Knight that was altered as Savior of German national was made use of Nazis propaganda to justify of German superiority and supremacy in the world.

However, Parsifal in Bayreuth that reached the state of mind “Mitleid (compassion)” in Wagner’s later years and last work in his life, came out with new sense of values not like Nazis propaganda. Wagner deeply understood those 2 works of 12-13th century, and guides to us in 21th century.

I wish to access and reach in this thesis to the real idea and spirit of Legend of Holy Grail’s Knight in Europe succeeded to Wagner’s Parsifal in Bayreuth using those above inderdisciplinary approaches.

2. Richard Wagner and Legend of Holy Grail’s Knight

2.1 From Lohengrin to Parsifal
Wagner’s first time access to Legend of Holy Grail’s Knight was Parzival by W. Eschenbach. In 1845, he began to read this story in Bohemia to get medical treatment in his time of Dresden’s courtly Opera house conductor.

At first, Wagner tried to produce Opera Lohengrin from theme of son of Parsifal as Legend of Holy Grail’s Knight. Lohengrin was first performed in 1850 at Weimar by Franz Liszt (1811-86) who was very strong supporter of him.

In Lohengrin’s Story, the leading role is Lohengrin as Legend of Holy Grail’s Knight who save the principality and this princess. Afterward, in Parsifal’s story, father of Lohengrin appears as great savior of world. This meaning points that both Opera story is closely related like one story and Wagner was continuing to research about Legend of Holy Grail’s Knight to complete as opera-performance.

Also, it must pay attention that Lohengrin played first in Weimar where was at center of Germanic Art and culture at that time. After this performance, Wagner “advanced ” to Bayreuth, this meaning pointed that the center of these moved from Weimar to Bayreuth by Wagner’s settle in Bayreuth (1872-), opening of Bayreuth Festival (1876-), and great success of Parsifal first performance (1882) of Legend of Holy Grail’s Knight in Bayreuth at the same time of unified nation of Germany.

And also Liszt who played active in Weimar, had so interesting about Bayreuth Festival, was in Bayreuth as final place and had his grave in it. Even after Wagner’s death, the world establishments such as artist, politician, ideologist, success of business, the upper classes etc, came to see the festival, they talked about modern theory, or aesthetics, philosophy going through Wagner’s Arts symbolized unification of Germany at that time. In the end of 19th century, Bayreuth in stead of Weimar became in the center of European fashion and social contact.

The “Inspiration” making of Parsifal by Wagner was said at “St. Friday” in April 1857. In that time, Wagner used title Parzival same as W. Eschenbach. Wagner strengthened his determination to inform not to misunderstand this deeply and difficult this contents, and to arrange main stories in 3 stages. He kept in mind as his calling to revive the Legend of Holy Grail’s Knight, and continued to study about this Legend in various fields.

Moreover, Wagner sought for origin of Legend of Holy Grail’s Knight outside of Christian area as the East like Islam region and another culture area of Asia. For example, he said “Holy Grail is miracle stone, This reason become clear by Arabic and Moore people (Islam) from Spain”, or “Moore people worships miracle stone at Kaaba temple in Mecca” (1859).

This Wagner’s interest about Islamic world was so profound. It is clear that in his first half of 19th century he had already written Opera’s drafts of Arabic story. They had been named by him “Happy bear’s family” (1837-39), and “Woman in Persia” (1841-43).

I state that these profound interests of him is not influenced by Schopenhauer (1788-1860)’s philosophy and literatures about Eastern religion and culture for the reason of Wagner’s failure of Dresden Revolution that it was said as usual.

Also, Wagner was influenced by Hafez as known Persian famous poet in the Middle Ages, he must be taken notice by such profound thoughts and adoration to the East as well as C. Troyes and W. Eschenbach.

Moreover, Wagner changed title from Parzival to Parsifal meaning of Pure-fool as Arabic phonetic (exactly Persia phonetic) adopting theory of J. Görres (1776-1848) when the second draft of Parzival completed in 1877.

Görres insisted in his “Lohengrin, ein altteutsches Gedicht” (1813) that Parsifal is correct name because original root of Parzival by W. Eschenbach is not from Europe but East world like Arabia. Also, Wagner accepted the theory of Görres because Wagner thought that Christianity was build under the influence of Asian religions.

In Parsifal, Wagner invites his audience to Holy Grail Castle by Comprehensive Art such as his matured music expression, special sound effect of Bayreuth festival hall (festspielhaus), and stage performance, using motif of oracle in Parsifal “worried together, and realize... wait for the man like Pure-Fool (= Parsi-Fal), because God chose him.”

In the next paragraph, it explains about more ties of Parsifal and the festspielhaus in Bayreuth.

2.2 Parsifal as Festival opera sacred stage and Bayreuth

Parsifal’s final draft was made the next year of 1876 when the festspielhaus constructed. The full score completed in 1882, it was first staged in Bayreuth. About 6 month after the success year, Wagner passed away. Thus, he spent and tried to work on 37 years in the latter half of his life making Opera about Legend of Holy Grail’s Knight from first draft of Lohengrin (1845) until the first performance of Parsifal at the festspielhaus in Bayreuth.

This exceeded time than the making 4 days opera Der Ring des Nibelungen as known Ring that it was said Wagner spent more long time when he spent 26 years from its first draft (1848) until first performance (1874).
Wagner tried to give Parsifal entirely different meaning with ordinary opera that play a performance changing theater each place. At first, as mentioned above, Wagner named Parsifal as Festival opera sacred stage (Bühnenweihfestspiel). He forbade to play it except festspielhaus in Bayreuth.

This Wagner's order will disregarded of the common sense of opera's management rising its name and sales by tour performance to move another theater. After Wagner's death, this his will kept in 30 years until Parsifal's copyright expired at 1913.

In addition, Parsifal was forbidden even curtain call to watch the evaluation of its performance, thus, Parsifal in Bayreuth looked like religious and sacred ceremony.

About the Wagner's intention, it will become clear by the following letter that he sent in 1880 to Bayern King Ludwig II.

"I want only my last and most divine this opera not to be followed the same fate like another opera, stage of Parsifal must purify, it can not realize except Bayreuth festspielhaus, this is my only wish"

This letter as if he already knew his end of life time, informs his will in last time expected for "Parsifal in Bayreuth". Parsifal got good impression and success in premier stage, but received argument against possession of the only performance in Bayreuth to be played in and outside Germany.

However, playing direction by Wagner about Parsifal's Prelude was "not dramatic, must be origin (fundamental)", this Parsifal was really his will involving his final state to reach in Bayreuth. And this was spiritual work deep-rooted in this land history, and that was Legend of Holy Grail's Knight succeeding long time in Bayreuth as following.

In next chapter, it go back to time of 12th Century Renaissance to research about relationship between foundation of Bayreuth and original story of Legend of Holy Grail's Knight.

3. Foundation of Bayreuth and House of Andechs Meranien -to the City of Legend of Holy Grail's Knight-

The foundation year of Bayreuth is not clear, therefore, it was decided at 1194 when the name was written at the first time in the old document of Bamberg Bishop Otto II (1132-96).

About the meaning of "Bayreuth" was defined "reclaimed land by people of Bayern" by old theory such as Bayer (people of Bayern) and reuth (reclaimed land). Thus, it was thought that people of Bayern who lived in land of Bishopric Bamberg reclaimed land of Bayreuth and settled there.

However, in this time, House of Andechs Meranien ruled the land of Oberfranken and Bishopric Bamberg, and produced Bishop Otto II from this House. Therefore, it must think Bayreuth was new city for this House of Andechs Meranien or founded as city by the new ideal and concept sought this House around Bamberg.

House of Andechs Meranien that root of Bayern, however, by means of marriage politics, occupied many important route, kept trading routes from Kingdom of Jerusalem to Bishopric Bamberg as "New Rome" cooperating with Crusader Knights to protect these route and settlement base city including Bayreuth. In other words, Bayreuth was made as not reclaimed land for farming but trading basement city from east to Bamberg.

Moreover, House of Andechs Meranien had close relation Perceval and Parzival as Legend of Holy Grail's Knight, so it can be surmised that the ideal of Bayreuth's foundation was influenced with these Legends.

Therefore, when Bayreuth appeared first time, in story of Perceval which was brought by House of Andechs Meranien from France to this Oberfranken, it is highly core of scene that Perceval saw Holy Grail and Holy Speer when he was permitted to enter Holy Grail Castle. In this scene of Perceval, it was written the suggestion about foundation of Bayreuth, following.

"At that time, top of the tower(Holy Grail Castle) was appeared, Until Barut it can not see so beautiful tower". -Au château du Graal,3050-3052-.

This Barut means in now Beirut capital of Lebanon, but in 12th century, The around Beirut was built many Towers by Crusader, and Beirut was important trading and military cross point of Europe and Middle East access to Jerusalem. This city prospered international Cross Culture to come and go for trade, battle, pilgrimage and travel by various religious people such as Muslim, Jewish, Christian, Buddhist, Hindi, etc.

House of Andechs Meranien also traded with Middle East using their sea or land routes.
Thus, it can be said that Bayreuth was made as new city had role of “new Barut (Beirut)” like the land of the Legend Holy Grail’s Knight connecting between Bamberg and another world region such as Middle East, Slav, Asia, and Africa.

In 1199, the 5 years after from Bayreuth’s “foundation”, Bayreuth that was called “villa” meaning residence of wealthy person was written “Beirut” very similar to Beirut in Lebanon.

Also Beirut in Middle East ruled by Knights Templar at that time, it suggests this House traded widely between these “Two” Beirut. These points connected that, following in 18th century of Bayreuth, raised again Legend of Holy Grail’s Knight and historical relation between Beirut and Bayreuth, strengthened mysticism of Bayreuth as following.

In addition, City Church in Bayreuth put on Mary Magdalene as Patron Saint, these believe in holy woman, especially in Bishopric Bamberg as Catholic stronghold, was considered as paganism.

Therefore, the first time of settlers in Bayreuth, above mentioned, were different with settlement only for farming from people of Bishopric Bamberg. They were relative of House of Andechs Meranien with deeply believe to holy woman, and Knights Templar, Teutonic Knights connecting this House as same believer such as St. Maria, St. Anna or the St. Mary Magdalene. So, it was strengthened such meanings and view points that Bayreuth made to stay them in suburb of Bamberg.

However, Bayreuth after extinction of House of Andechs Meranien in middle of 13th century, jointed under Count of Nürnberg Castle was erased superficially relation of this House. On the other hand, the spiritual tradition of House of Andechs Meranien and Legend of Holy Grail’s Knight was taken over in Bayreuth handed down from generation to generation. So, finally in the 18th century, it revived Legend of Holy Grail’s Knight by Markgraf in Bayreuth.

4. **Legend of Holy Grail’s Knight in Bayreuth**

4.1 **Markgraf Georg Wilhelm and “Parsifal”**

Legend of Holy Grail’s Knight appeared in the time of foundation of Bayreuth in 12th century was revived by Georg Wilhelm, Markgraf von Brandenburg–Bayreuth (1678-1726) and was recreated in the ideal city of St. Georgen in Bayreuth by him.

At first, it is survey of the life of G. Wilhelm who was born in Bayreuth as successor of bravery father of Markgraf Christian Ernst (1644-1712) was the dreamer concerning about Legend of Holy Grail’s Knight and Mysticism of Bayreuth History was like “pure fool” (equal to Parsifal) boy who played sometimes around the lake Brandenburger near the city as following.

And in younger days, G. Wilhelm went for the diplomatic trip as successor of Markgraf (also it was said Grand Tour) to England in the end of 17th century. In England, It is said he was fascinated by St. Georg as Legend of Dragon Killer, and Legend of King Arthur being root of Legend of Holy Grail’s Knight, and that G. Wilhelm was very interesting about the Knight of the Garter as real ruling system in England having root of these Legends.

After he came back to Bayreuth, he was symbolized himself as incarnation of St. Georg founded Knights called “Knights of allegiance (Ritterorden der Aufrichtigkeit)” to guard Markgraf Bayreuth.

And he became Master of the Knights himself made Castle of Knights as Holy Grail Castle, and Church of Knights as center of Holy Grail’s believe in his ideal city of St. Georgen (1705) around the lake Brandenburger existed at that time.

However, when G. Wilhelm went together his army to west-border of Germany (Holy Roman Empire) to defend against invasion French army of King Louis XIV “the Sun king” (1638-1715), he was injured seriously and had after-effect in his life by shooting of enemy at Landau.

After this injury, G. Wilhelm who succeeded title of Markgraf devoted himself to defend and prosper of land of Markgraf Bayreuth. He built opera theater and invited G. Telemann (1681-1767) as regular conductor who was one of the best composers at that time in Europe. So, it can be said that Markgraf G. Wilhelm is the founder of Festival History at Bayreuth reached in now.

And, such life of Markgraf G. Wilhelm and St. Georgen has vivid recollections of Legend of Holy Grail’s Knight such as Perceval and Parzival brought to Bayreuth in 12th century.

It suggests to revive Legend of Holy Grail’s Knight in Bayreuth that the life of G. Wilhelm wished development of his land and relief himself from holy land around lake such as injured King protected by Knights.

After that, Bayreuth Festival hall (Festspielhaus) of Wagner was built beside this St. Georgen. Thus, it can said to connect “Parsifal in Bayreuth” in the future.

In the next sentence, it refers about the mysticism of Europe that G. Wilhelm brought to Bayreuth.

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4.2 Holy Grail’s Knight of Bayreuth and European mysticism

In the era of Markgraf G.Wilhelm, Bayreuth got higher mysticism of Europe such as Legend of St.Georg, King Arthur, and Legend of Holy Grail’s Knight, moreover ideology of Rose cross (Rosenkreuz) reach to Freemason in future.

With “Deification of G.Wilhelm”, it was mentioned relation between Bayreuth and Beirut that origin of foundation of Bayreuth existed “Phoenician Bayretuh(Beirut)” in Lebanon where defeated Dragon such as Legend of St.Georg.

Moreover, official seal of city of St.Georgen at that time was engraved the scene that G.Wilhelm defeated Dragon. As the wealth and art culture of this Markgraf city prospered, It began to emphasis originality of Bayreuth was as city succeeding Legend of Holy Grail’s Knight by House of Andechs Meranien not position as brother city of Nürnberg.

G.Wilhelm who celebrated Day of St .George on April 23 at Ordens castle(Ordensschloss) in St.Georgen not only performed Opera on the lake named “Brandenburger Sea” by him using Battleships of Markgraf but also officially commend his Knight with order of Loyalty(Ordens de la Sincérité) founded himself.

This decoration was continued half of century after G.Wilhelm’s death. The Crest of recipients of Order was decorated in chancel of Ordens Church (Ordenskirche).

This Ordens Church that exactly was Holy Grail for G.Wilhelm was dedicated to His mother Markgrafin Sophie (1642–1702) named at first Sophie Church(1705). When G.Wilhelm was succeeded Markgraf in Brandenburg-Bayreuth, renamed Ordenskirche, and placed emotional mainstay of Knights Ordens de la Sincérité as Holy Grail’s Knights in Bayreuth.

Moreover, beside of this Church, Huge one steeple was constructed in 1718. Exactly like denouement of Parsifal’s finale, by the pair of Holy Speer and Holy Grail, complete salvation of the world. This inside large bell named “Bell of Knight”, with sound of this bell, scene of entering such as Parsifal and Holy Grail’s Knights into Holy Grail’s Castle, it “coincide” variously with after Parsifal’s scenes.

This ideal of Ordenskirche existed at St.Georg Church of Windsor Castle in England where decorated Crests of Knight Order of the Garter in this chancel. Also because this castle is headquarter of Knights Garter, It is possible to say that G.Wilhelm reign his land of Bayreuth using the system of Knights Garter relating with Legend of King Arthur.

On the other hand, G.Wilhelm brought to Bayreuth new Ideals and ideology such as Rose-cross (Rosenkreuz) that reached to ideas of philosophy of the Enlightenment in 18th century from wisdom of ancient Europe, to Judaism and Islam, also was received by Bayreuth citizens.

This Bayreuth City make progress keeping tolerance policy to accept theory, culture, and advanced skill of people called heresy or minority in contrast Bamberg and Nürnberg failed management of city to repeat persecution of Judaism’s people and the women called witch hunting at 30 years War in 17th century.

In spite of such the times of religious intolerance, Bayreuth accepted such as Huguenot persecuted in his own country is very characteristic to weather through the times by enlightening policy.

This ideal of Rosenkreuz was succeeded after that by Bayreuth Markgraf Friedlich (1711-63) and his wife Markgräfin Wilhelmine (1709-58) who was elder sister of Friedlich the great. Afterwards, the Loge of ideal society of Freemason that systematically strengthen Rosenkreuz placed into the court of Markgraf in Bayreuth (1740).

Markgraf Friedlich who himself installed as the first grand master of this loge protected Freemason in this land, spread relation with them in another countries, for example, invited Voltaire(1694-1778) in Bayreuth who was known as idealist of enlightenment.

After that, it was said that Wagner who settled to Bayreuth tried to join membership of the outstanding Grand loge of Bayreuth at Germany in his time. In addition, Wagner’s residence in Bayreuth named Wahnfried is next of the Grand Loge.

This Grand loge called secret ceremony of Eleusis (Eleusis zur Verschwiegenheit) believed in transmigration and return to the land of dead was broken up and confiscated by the first half of 20th century by Nazis.

However, this loge revived after the World War II because of defeat of Nazis regime became German Freemason Museum, and had role as witness of German Freemason History.

Also, in this loge of Bayreuth many Jewish people existed. And beside of Markgraf theater in Bayreuth placed in synagogue. Thus by 18th century, it can be thought that this Jews already had been active in the theater at Bayreuth.

Such as activity and support from Jews was also succeeded Bayreuther Festspiel of Wagner. Parsifal got great success at first time by Jewish conductor Herman Levi (1839-1900).

On the other hand, in the times of Nazis called The Third Empire, it should be noticed that family member of Wagner insisted strongly to save Jewish supporter and musician in Bayreuther Festspiel from the view of their
contribution of this Wagner’s Festival in Bayreuth and their remarkable activity and profound understanding Arts of Wagner.

On the contrary, Nazis used this Arts of Wagner and this Festival altered Bayreuth as Holy place of National Socialism, German Superiority, with this Propaganda of Nazis, and invaded another country and persecuted beyond words against Jewish people so called Holocaust. In last chapter (conclusion) of this thesis, it is mentioned about these.

4.3 Parsifal and Bayern King Ludwig II

This chapter mentions new view of relationship among Parsifal and Bayern King Ludwig II (1845-86) who became patron of Wagner, using Legend of Holy Grail’s Knight above mentioned.

The lineage of Ludwig II is House of Wittelsbach that was related to House of Andechs Meranien. It is said when he saw Wagner’s Opera “Lohengrin” used Legend of Holy Grail’s Knight above mentioned in youth, begin to become enthusiastic about Wagner’s Opera Arts.

On the other hand, Wagner who aged reach to 50 years old in social and financial predicament also really felt himself “miracle” meeting of this young and attractive face and figure King like Parsifal as King of Holy Grail. When the envoy of Ludwig II came to invite Wagner, he thought “God’s Miracle happened in real”(3th May 1864, letter to the king).

Ludwig II who promised support to Wagner began to build Castle of New swan (Schloss Neuschwanstein, 1869-) imaging Wagner’s Lohengrin as Holy Grail’s Knight. This region with beautiful view of Mountains and Lakes around Schloss Neuschwanstein also had been closely influenced with House of Andechs Meranien.

Also Ludwig II who not only supported financially construction of Bayreuth Festspielhaus but also was highly interesting Parsifal of Wagner, and continued advice and financial support to Wagner to be completed this Opera.

The first idea of Parsifal was in 1857 above mentioned, when the first this draft completed in 1869, Ludwig II who sent Wagner his passionate eulogy that “This art (Parsifal) was divine, the most purely and highly-mind religion”, promoted and demanded to complete as Opera.

This Ludwig II was popular among people in Bayern to raise art of culture in this area, but as called Märchen (Fantasy) King, was not so interesting real politics, was absorbed in Wagner’s Opera World, such as Parsifal like King of Holy Grail surrounding youth guard with good looking like Holy Grail’s Knights, lived in the nature of Bayern with blessing reach to Alps and his castles imaged Wagner’s Opera World.

The his life was reminded life of above mentioned Markgraf G.Whilhelm reproduced at Bayreuth in 18th century Legend of Holy Grail’s Knight. It can say that Ludwig II in his later years also wanted to make Parsifal of Wagner completed in Land of Bayreuth, in short, put all his energy into reproduction of Legend of Holy Grail’s Knight as same as Wagner.

After Wagner’s death, Ludwig II who was isolated to be more apart from state affairs was also mysterious death confined by his attendants worried about future of state. His last place was Lake Starnberg where was birthplace of House of Andechs Meranien. This fact is only coincidence? Or, it was invited by this House Ludwig II who incarnated Parsifal as King of Holy Grail? At any rate, Ludwig II also finished his life into the Legend of Holy Grail’s Knight as well as G.Whilhelm and Wagner.

However, Schloss Neuschwanstein that Ludwig II remained its beauty at that time saved from bombing and destruction of World War II, not ceased to stay this Castle even nowadays. Through of this “Holy Grail Castle” build in 19th century, it is possible to know about great influence of Parsifal as Legend of Holy Grail’s Knight reproduced by Wagner in Bayreuth.

5. Conclusion - Legend of Holy Grail’s Knight and the significance in nowadays

5.1 From Bayreuth in Germany to the World of the Legend and Mysticism

Ansbach in Germany where is said born place of W. Eschenbach is also closely to Bayreuth historically. This root also has origin of House of Andechs Meranien possessed both city at that time, after extinction of this House in the middle of 13th century, both city continued to close contact keeping independent as city each other. For example, Bayreuth and Ansbach formed historically Personal Union in 3 times at total about One century (1495~1515, 1557~1603, 1769~1791).

But in the latter half of 18th century, land of Markgraf Bayreuth that merged with Markgraf Ansbach became Markgraf Ansbach-Bayreuth. Thus the Court of the Markgraf was moved from Bayretuh to Ansbach. Because of this loss
of Markgraf's Court as central government and directly protection of the Markgraf, Bayreuth entered to declining time. And thus Bayreuth can not resist demanding the dispatching troops by England against Independent of America, in Bayreuth it was conscripted the reach to more than one thousand, was sent with troops of Ansbach to new continent of America.

The Bayreuth troop named “Dragon Regiments” with root of Markgraf G.Wilhelm Troop used to be known as brave his Knights with loyalty, stayed around New York where was main battle field of this War, over 5 years, fought against independent wing of America and this supporter of French army in sea and river and land.

After this war finished, it decided lose and to retreat of side of England troops, some of this troop such as Bayreuth in Germany remained and settled in this continent having new common ideal like Freemason close to Bayreuth tradition above mentioned.

This “frontier” in New continent, as for Bayreuth regiments, it can say that Sprit of House of Andechs Meranien in 12th century that founded Bayreuth as new ideal land was piled up.

On the other hand, it was pointed out before that this ideal of Freemason was reflected in Parsifal of Wagner. However, in Legend of Holy Graal’s Knight, it is nothing to be important of “secret” and “silence” like Freemason. On this contrast, in Legend of Holy Graal’s Knight, it is important of “talking” and “helping” such as “manner of helping each other through conversation to Mitileid(compassion)”. This ideal was insisted very clearly in Parsifal of Wagner who was interesting formerly about Freemason.

Moreover, Legend of Holy Graal’s Knight that is beyond ideal of Freemason as “friendship of the member of man” insists “real” cosmopolitanism by helping human to human reach to Elysium, have common value over time and foresight reach to nowadays called “society of earth and universe”.

On the other hand, in time of completion of Parsifal and death of Wagner, it is said that he was strongly influenced in another theory. It is Buddhism such as life of Buddha, his theory of transmigration of souls, spiritual awakening, and deliverance.

Wagner who studied various religious theories in the world by books translated in German tried to make opera “the Winners” (1856) using life of Buddha in the same time of making Parsifal in middle of 19th century.

The draft of scenario was made, but not completed. The essence of the Winners was put together in Parsifal gradually.

So, this Parsifal is strongly reflected ideology of affection in the nature and prohibition of hunting and fishing of animal. It must say that the final scene of Parsifal who overcome at last himself temptation and spiritual crisis is exactly final deliverance of Buddha.

Wagner put into Parsifal to the will of regeneration and transmigration under ideology of Buddhism drawn this “the Winners”.

Message of Wagner in 1880 that put on Parsifal is “love – faith - : hope?” means relief and regeneration. In these meanings, Parsifal is exactly “hope” Festival opera sacred stage (Bühnenweihfestspiel) beyond ordinary stage opera like tragedy or comedy.

5.2 Expansion and significance of Legend of Holy Graal’s Knight –from opposition to cooperation

After Legend of Holy Graal’s Knight was appeared the incomplete original “Perceval” by C.Troyes in France, W.Eschenbach in German (the Holy Roman Empire) as the successor completed and renewed this Legend as Parzival in Era of “12th Century Renaissance”.

And in the end of 19th century, Wagner made it opera and visualized as Parsifal under his concept of comprehensive and synthetic art.

As these 3 persons called Trouvère, Minnesinger, and King of opera composer each other who had ability of making poetry and music at the same time, moreover the each person was great thinker as ideologist in their time and place too.

By these great composers, Legend of Holy Graal’s Knight was taken over next generation. This Legend was researched and spread to the world by translation, had new and various analysis and interpretation gradually, and such as Mitileid(compassion) in nowadays beyond times.

At the stand of above viewpoints, the reason C.Troyes remained Perceval incomplete was clear that he looked after his Perceval’s completion to next generation because that time was great change of history of the world, in short, superiority of Christian World that he stood himself was completely overturned.

Above mentioned, at first in Perceval, center of world was Europe and Christianity. And the next in Parzival, the center became the East and Islam and another religious country.
And the last in Parsifal, the both (Perceval and Parzival) religious and national, regional character was abstracted and generalized, it is brought to sprit of relief through sympathy and helping as same human being beyond religion, nation, and region.

In Parsifal, the individuality who stood various opposing position such as wise and fool, social stronger and weaker, right way and sin, etc experienced in owns life time, sublimated everything such as deliverance, reach by the Mitleid to state like Heaven of God and Elysium. It can say that Parsifal achieved to evolve and change to universal Legend on common of human being to draw these processes.

Wagner experienced his life time with many trials and had many critics. But one of most hard and important his critic, E. Hanslick (1825-1904) also supported Wagner’s Parsifal.

Even F.Nietzsche (1844-1900) who criticized that Wagner yielded to religion broke off relation of him, time of Wagner’s death, As F.Nietzsche talked to stand in awe of Wagner’s life and works, also It can say that Wagner in his later years set free “delusion” and “worldly desires”.

It is also said that Wagner who settled in Bayreuth named new residence Wahnfried, in this entrance, Wagner wrote “In this land (Bayreuth), my delusion (Wahn) found free (fried).-Wahnfried- I(Wagner) named my new residence”. This informs the state of new mind on Wagner’s later years.

On the contrary, in the latter half of 19th century Germany unified as nation at last. After Wagner’s death, from about the beginning of the 20th century, for the purpose of spreading in the territory, German fought with and invided to another countries.

In those situations, this Parsifal also was utilized maximally by Nazis to justify war of Germany as savoir of German nation or brave Hero fully defeating another enemy’s country and different culture of enemy.

After the end of Second World War, everyone including Germany and another world country noticed and repented that these Nazis propaganda was entirely false and no countable tragedies such as Holocaust beyond words. And also, it looked like that Legend of Holy Grail’s Knight utilized by Nazis buried into darkness of History, moreover Arts of Wagner and Bayreuth Festspiele was sealed forever.

However, the divided Germany after the war tried sincerely to “overcome the past” and revived the economy, was unified again as one independent nation while Germany keep to peace and cooperation policy in the world. Thus German history and Wagner Art was reconsidered the true value. Also Research of Legend of Holy Grail’s Knight restarted gradually, for example, from original using historical approach and cross-culturing approach around the world. It can say exactly Parsifal story that starts again seeking “real” Holy Grail in long way beyond times.

5.3 Legend of Holy Grail’s Knight in now and Parsifal in Bayreuth

In this century, Legend of Holy Grail’s Knight is still alive. This new movement is seeking the Legend to another origin around the World. For example, about origin of Legend of Holy Grail as Wagner named Parsifal above mentioned, it is sought to Islamic World such as Arabia and Persia, moreover, Buddhism of Asian World, Animism of Africa, and believing God as Mother Earth in ancient world. In addition the view will expand and rise to highly common value, for example, equality of the sexes, respects for woman against patriarchy by man.

Such the Research of new interpretation to Legend of Holy Grail’s Knight, after the end of World War, appeared direction of stage performance of Parsifal in-outside Germany. Especially, Bayreuth festspiele led and challenged this from various views seeking the new world of Parsifal.

Each researches and direction of Parsifal is very interesting around world beyond border, nation, and religion. These connects to Ideal of Bamberg and Bayreuth as “New Beirut” in 12th century locating center of the Holy Roman Empire where House of Andechs Meranien sought as new place of Trade and Cultural exchange between the West and the East. Legend of Holy Grail’s Knight also is succeeding in Bayreuth and each place of world in now through various historical dynamics.

In nowadays, keyword of Legend of Holy Grail’s Knight is reminded first of all is “Mitleid (compassion)” that Wagner took over these works in 12th century.

This story is because Persifal try to “ask” the King in despair like “I wanted to share your pain” with Mitleid, the King and everybody in the world come to relief by the grace of God, means spirituality of cooperation and helping as human being beyond social standing, circumstances, and gender.

In time of Crusader such as international religious battle and antagonism, the real peace that C.Troyes and W.Eschenbach sought at the time was took over by Wagner. This Legend of Holy Grail’s Knight is the will as last words of them remained in future generation. There is entirely different with idol of Parsifal propagated by Nazis as national hero and savior, or superiority of Christianity against another religion above mentioned.

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On the another hand, in the modern international society after World War, antagonism between Christian world and Islamic world, because of problem reverting Holy place of Jerusalem and around city, it is seems like the era of Crusader. However, in time of the international religious war and serious tragedy, the real spirituality of Legend of Holy Grail’s Knight that was born to change the world situation, above mentioned, gave up the antagonism, hostility and war, and built the ideal world of friendship, cooperation and peace under the Mitleid(compassion) as human being at 21st century in the World.

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The Determinants of Capital Structure: Evidence from Albania

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Abstract

This paper attempts to explore the impact of firm specific factors and macroeconomic factors on capital structure decision for a sample of 53 non-listed firms, which operate in Albania, over the period 2008-2011. In this paper is used total debt to total assets (TDTA) as dependent variable and nine independent variables: tangibility (TANG), liquidity (LIQ), profitability (ROA), size (SIZE), business risk (RISK), non-debt tax shields (NDTSH), GDP growth rate (GDP), inflation rate (INF) and interest rate (INT). The investigation uses cross-sectional time series data which are collected from the Balance Sheet Annual Reports, the official document delivered to the State Tax Office. This study found that tangibility (the ratio of fixed assets to total assets), liquidity (the ratio of current assets to current liabilities), profitability (the ratio of earnings after taxes to total assets), size (natural logarithm of total assets) and risk (the ratio of standard deviation of sales to average value of sales) have a significant impact on leverage. Also it is found that NDTSH has a negative but not significant relation with leverage and GDP growth rate, inflation and interest rate have a positive but not a significant relation with leverage.

Keywords: Albania, Capital structure; Firm’s Specific Factors, Country Factors, Leverage.

1. Introduction

Many researchers have conducted studies to prove the evidence of the theories of capital structure, but it still remains one of the most discussed issue in modern corporate finance. “How do firms choose their capital structure”? (Myers, 1984, p. 575) still remains a question that needs an answer. For this reason other empirical studies on this issue are done and will be done in order to bring further evidence on the capital structure theories. Myers (1984) study is one of the most cited among the vast literature on capital structure, which explained corporate financing through taking in consideration some of the firm specific factors in the developed countries. This study examines firm specific factors and macroeconomic factors that were not taken in consideration by Myers’ (1984) model.

Many studies are focused on researches about the determinants of the of debt choice (Titman and Wessels, 1988, Harris and Raviv, 1991, Rajan and Zingales, 1995), finding different evidence in their results. This differences are of two types (1) the signs of the regression coefficients estimated from the authors are different, (2) the statistical significance of the regression coefficient vary from one study to another one.

Results from developing countries: Titman and Wessels (1988) study in USA found that asset tangibility, non-debt tax shields, financial distress (volatility) and growth do not affect leverage; and leverage (short-term measure) negatively related to firm size. Harris and Raviv (1991) study concluded that leverage increases with fixed assets tangibility, non-debt tax shields, firm size and growth opportunities and decreases with financial distress (volatility) and profitability. According to DeAngelo and Masulis (1980), non-debt tax shields can serve as an alternative to debt tax shield. Non debt tax shields are created by depreciation expenses which are tax deductible but do not require any cash outlay. As existence of high non-debt tax shields has already reduced tax burden, a firm will require less amount of debt to reduce its total tax liability and the relation between leverage and non-debt tax shield is negative.

Macroeconomic variables are also very important on capital structure decision, which are recently introduced in the studies of different scholars. These factors are mostly studied in the developed counties (Mateus, 2006; Frank and Goyal, 2007) and only a few studies are conducted in the developing countries (Mutenerhi and Green, 2002; Paydar and Bardai, 2012) study in Malaysia). Studying macroeconomic variables like GDP growth, inflation rate and interest rate in the Albania economic contest will be more interesting.

This study is focused on providing empirical evidence on the relationship between firm’s specific factors (tangibility, liquidity, profitability, size, risk and non-debt tax shields) and macroeconomic factors (GDP growth rate, inflation rate and interest rate) on the capital structure choice among debt and equity, of non-traded small firms in Albania. The data has
been retrieved from the Annual Reports submitted by the firms to the State Tax Office. A sample of 53 firms over a four year period, 2008-2011, is used in the analysis and in lack of an active stock market we have taken only accounting measures to estimate the capital structure of each firm.

The rest of this paper is organized as follows: the next section is literature review on the issue discussed; the third section describes the data, variable definition and regression model; the fourth section is hypothesis development of this study. The last section summarizes descriptive statistics and the regression results.

2. Literature review

Different authors have studied the firm’s specific factors which influence on capital structure choice of the companies. So, previous studies by Titman and Wessels (1988), Rajan and Zingales (1995) argue that the ratio of fixed assets to total assets (tangibility) should be an important factor for leverage. In the recent studies, liquidity is also considered significantly affecting the capital structure choice of firms (Opler et al., 1999; Antoniou et al., 2002; Anderson, 2002). Also studies done in different countries have proved the negative relationship between liquidity and capital structure (Opler et al., 1999; Antoniou et al., 2002; Shahjahanpour et al., 2010) supporting the static trade-off model. Among the studies evidenced the negative relationship between profitability and leverage were those of Titman and Wessels (1988), Rajan and Zingales (1995), Antoniou et al. (2002), Daskalakis and Psillaki (2006), Degryse et al. (2009) and Frank and Goyal (2009) supporting the pecking order theory. A number of empirical studies have concluded that leverage ratios may be related to firm size: Titman and Wessels (1988), Rajan and Zingales (1995), Frank and Goyal (2003), Daskalakis and Psillaki (2006), Frank and Goyal (2009).

The cost of financial distress can be increased by risk, while the tax shield can be reduced. According to the trade-off theory, when the volatility of earnings is high, firms should use less debt. A higher operating risk combined with higher financing risks will result in higher probability of bankruptcy (Myers, 1984). At the other side DeAngelo and Masulis (1980) argue that the marginal corporate savings from an additional unit of debt decreases with increasing non-debt tax shields.

Results on the effect of macroeconomic variables on capital structure choice are different. GDP growth rate is proved to have a positive relation in the study of Bas et al. (2009) and a negative relation in the studies of Gurcharan (2010) and Dincergok and Yalciner (2011).

The inflation rates were reported negatively affecting capital structure choice by Gulati and Zantout (1997), Mateus (2006) and Bas et al. (2009). However, positive association between the two variables is found by Concorou (1977), but in Mutenheri and Green (2002) study no significant relationship is found.

The third macroeconomic variable examined in this study is the interest rate, which is found negative related to capital structure in the studies of Antoniou et al. (2002) and Dincergok and Yalciner (2011), but positive related in the study of Bas et al. (2009). These macroeconomic factors need to be examined in the Albanian economic environment.

Many empirical studies had been conducted in order to examine the above mentioned factors on different countries and in different contests. In prior studies are used different measurements for capital structure (leverage) and using proxies for the determinants of leverage (firm’s specific factors and macroeconomic factors). The problem is that there are no studies conducted in Albania (very few in Macedonia) and this study attempts to study this issue in the Albanian contest.

3. Research Methodology

In this section, we describe our sample, variables and the model used in determining the impact of the independent variables on firm’s capital structure.

3.1 Data and Variables Definitions

The sample used is of 53 non-traded firms covering the period 2008-2011. All firms can be classified as SME and based on Strategic Plan for the Development of SME-s 2007-2013 (Ministry of Energy, Transport and Economy of Albania 2007), these firms contributes with about 60 percent of the employment in the private sector. All the data are collected from the Balance Sheet Annual Reports, the official document delivered to the State Tax Office.

The independent variables used in the analysis are:

- ROA (Return on asset) = Earnings after taxes / Total asset
- TANG (Tangibility) = Net fixed assets / Total assets
- SIZE = Natural logarithm of total assets
LIQ (Liquidity)=Current assets/Current liabilities
RISK=Standard deviation of sales/Average value of sales
NDTSH (Non-debt tax shields) =Amortization /Total assets
GDP=GDP growth rate
INF (Inflation rate) = the percentage increase in product prices
INT (Interest rate) = the annual prime lending rate
And the dependent variable is:
TDTA = Total debt / Total assets.

3.2 The Model

We use a simple multiple regression analysis to test TDTA as the dependent variable against the above mentioned independent variables. The model used in our study is as follows:

\[ Y_{tda} = \alpha + \alpha_1 \times TANG + \alpha_2 \times LIQ + \alpha_3 \times ROA + \alpha_4 \times SIZE + \alpha_5 \times RISK + \alpha_6 \times NDTSH + \alpha_7 \times GDP + \alpha_8 \times INF + \alpha \times INT + \varepsilon \]

Where \( Y_{tda} \) indicates firm’s leverage which will be measured through total debt ratio for the firms in sample and \( \varepsilon \) is the error terms. Using data as described earlier we will estimate all coefficients (alphas) of the equation.

4. Hypotheses development

In order to identify the effect the selected determinants on the firm’s capital structure decision and the effect of industry the study used nine hypotheses which are presented below:

4.1 H 1: Asset tangibility is positively related to capital structure decision.

The lower expected costs of distress and fewer debt-related agency problems predict a positive relation between tangibility and leverage (Frank & Goyal, 2009). The pecking order theory makes opposite predictions. Low information asymmetry associated with tangible assets makes equity issuances less costly. Thus, leverage ratios should be lower for firms with higher tangibility (Frank & Goyal, 2009).

4.2 H 2: Liquidity is negatively related to capital structure decision.

The relationship between cash holdings (liquidity) and leverage is not clearly determined under the trade-off model (Saddour, 2006). According to pecking order theory liquidity has a negative relation with leverage. If amount of money needed for investment are higher than retained earnings, firms should issue new debt. “Thus, leverage increases whereas cash holdings fall. However, when investment needs are less than retained earnings, firms repay their debt and accumulate cash” (Saddour, 2006).

4.3 H 3: Profitability is negatively related to capital structure decision.

Trade off-theory suggest that profitable firms face lower expected costs of financial distress and find interest tax shields more valuable. Thus, the tax and the bankruptcy costs perspective predicts that profitable firms use more debt (Frank and Goyal, 2009). Regarding book leverage, the trade-off theory predicts that it should be positively correlated with expected profitability because higher expected profitability corresponds to higher benefits of debt and lower costs of financial distress. Such a relation will be observed empirically if the costs of adjusting leverage are relatively low and adjustments occur relatively quickly. For market leverage, the tradeoff theory does not have a definite prediction since firm value also increases with expected profitability (Xu, 2012).

4.4 H 4: The size of the company is positively related to capital structure decision.

Large, more diversified, firms face lower default risk. Thus, the trade-off theory predicts larger, more mature firms to have relatively more debt (Frank and Goyal, 2009). Large firms have had an opportunity to retain earnings (Frank & Goyal, 2009). This means that they should decrease firm’s debt.
4.5 H 5: Risk is negatively related to capital structure decision.

The cost of financial distress can be increased by risk, while the tax shield can be reduced. According to the trade-off theory, when the volatility of earnings is high, firms should use less debt. A higher operating risk combined with higher financing risks will result in higher probability of bankruptcy (Myers, 1984). A complicated version of the pecking order theory states that if a firm does not want to pass up profitable projects in the future, then it should use less debt at present. Therefore, a negative relationship between leverage and the firm risk is expected.

Titman and Wessels (1988) study found a negative relationship between risk and leverage but Paydar and Bardai (2012) study in Malaysia on manufacturing companies during a seven-year period from 2004 to 2010, found no significant relationship among the determinants of capital structure and risk (the ratio of sales over operating income).

4.6 H 6: Non-debt tax shields are negatively related to capital structure decision.

Firms can use non-debt tax shields such as depreciation to reduce corporate tax. Thus, a higher non-debt tax shield reduces the potential tax benefit of debt and hence it should be inversely related to leverage. But such relation can change if the marginal tax rate expected from the interest tax shield is higher (Dincergok and Yalciner, 2011).

4.7 H 7: GDP growth rate is positively related to capital structure decision.

Several studies have provided empirical evidence on a positive relationship between GDP growth and leverage (Mateus, 2006; Saledi and Manesh, 2012). Mateus (2006) investigates the capital structure choices for a sample of 19,752 unlisted Western European firms for the period 1994-2004. He found that the coefficient of the GDP growth rate is positive but not statistically significant.

4.8 H 8: Inflation rate is negatively related to capital structure decision.

Inflation management is one of the hardest tasks an economic policymaker has to undertake. It was one of the macroeconomics factors analyzed by different empirical studies in order to identify the relationship between this variable and leverage (Concorou, 1977; Gulati and Zantout, 1997; Mutenheri and Green, 2002; Mateus, 2006; Gurcharan, 2010). Concorou (1977) study indicated that inflation is positively related to leverage, but other researchers found that the influence of inflation on capital structure is insignificant (Mutenhei and Green, 2002; Gurcharan, 2010).

4.9 H 9: Interest rate is negatively related to capital structure decision.

Pecking order theory suggest that firms will choose the cheapest source of financing the activities. In the case of the static trade-off theory, firms choose finance so that the marginal costs across financing sources are all equal. According to Antoniou et al. (2002) and Dincergok and Yalciner (2011), the interest rate is negatively related to leverage.

5. Empirical Results

5.1 Descriptive Statistics

The tables below present the correlation coefficients between the dependent variables and the independent ones.

| Table 1: Correlation coefficients, using the observations 1:1 - 53:4, 5% critical value (two-tailed) = 0.1348 for n = 212 |
|---------------------------------|-----|-----|----|-----|---|---|-----|-----|
| Ytdta                          | TANG | LIQ | ROA | SIZE | RISK | NDTSH | GDP | INF | INT |
| Ytdta                          | 1.0000 | 0.2145 | 0.0515 | -0.4835 | 0.2207 | 0.2230 | -0.0078 | 0.1639 | -0.0285 | 0.0856 |
| 1.0000                         | 0.0848 | -0.2553 | -0.1085 | 0.2404 | 0.2768 | 0.0232 | 0.0058 | 0.0017 | TANG |
| 1.0000                         | -0.0181 | -0.0817 | -0.0155 | -0.0205 | -0.0815 | 0.0406 | -0.0671 | LIQ |
| 1.0000                         | -0.2386 | -0.2642 | 0.0187 | 0.0362 | -0.0805 | 0.0975 | ROA |
| 1.0000                         | 0.0758 | 0.0681 | -0.1065 | 0.0385 | -0.0760 | SIZE |
| 1.0000                         | 0.2265 | -0.0414 | -0.0094 | -0.0040 | RISK |
| 1.0000                         | -0.0765 | -0.0584 | 0.0308 | NDTSH |
Table 1 shows the correlation between the explanatory variables specifically with respect to TDTA. As we can notice TDTA is positively correlated with TANG (21.45 percent), LIQ (5.15 percent), SIZE (22.07 percent), GDP (16.39 percent) and INT (8.56 percent). Also it is demonstrated that TDTA is negatively correlated with ROA (48.35 percent) and has a weak negative correlation with NDTSH (0.78 percent) and INF (2.85 percent).

Table 2: Summary Statistics, using the observations 1:1 - 53:4

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Median</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Std. Dev.</th>
<th>C.V.</th>
<th>Skewness</th>
<th>Ex.kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ytdta</td>
<td>0.5875</td>
<td>0.6334</td>
<td>0.0188</td>
<td>0.9807</td>
<td>0.261631</td>
<td>0.4453</td>
<td>-0.6067</td>
<td>-0.7429</td>
</tr>
<tr>
<td>TANG</td>
<td>0.2570</td>
<td>0.1548</td>
<td>0.0000</td>
<td>0.9399</td>
<td>0.2709</td>
<td>1.0539</td>
<td>1.1395</td>
<td>0.1550</td>
</tr>
<tr>
<td>LIQ</td>
<td>10.7378</td>
<td>1.8266</td>
<td>0.0829</td>
<td>296.601</td>
<td>32.5597</td>
<td>3.0323</td>
<td>6.0382</td>
<td>42.3760</td>
</tr>
<tr>
<td>ROA</td>
<td>0.0885</td>
<td>0.0607</td>
<td>0.0010</td>
<td>0.6913</td>
<td>0.0921</td>
<td>1.0410</td>
<td>2.7315</td>
<td>10.7403</td>
</tr>
<tr>
<td>SIZE</td>
<td>17.6074</td>
<td>17.5791</td>
<td>14.5250</td>
<td>20.3677</td>
<td>1.2532</td>
<td>0.0712</td>
<td>0.1160</td>
<td>-0.6123</td>
</tr>
<tr>
<td>RISK</td>
<td>0.3409</td>
<td>0.2990</td>
<td>0.0619</td>
<td>1.4275</td>
<td>0.2564</td>
<td>0.7523</td>
<td>1.8276</td>
<td>4.6806</td>
</tr>
<tr>
<td>NDTSH</td>
<td>0.0198</td>
<td>0.0075</td>
<td>0.0000</td>
<td>0.3952</td>
<td>0.0415</td>
<td>2.0923</td>
<td>6.4635</td>
<td>52.3498</td>
</tr>
<tr>
<td>GDP</td>
<td>0.0436</td>
<td>0.0361</td>
<td>0.0272</td>
<td>0.0750</td>
<td>0.0187</td>
<td>0.4284</td>
<td>0.9817</td>
<td>-0.7976</td>
</tr>
<tr>
<td>INF</td>
<td>0.0320</td>
<td>0.0345</td>
<td>0.0230</td>
<td>0.0360</td>
<td>0.0053</td>
<td>0.1643</td>
<td>-1.0922</td>
<td>-0.7144</td>
</tr>
<tr>
<td>INT</td>
<td>0.1167</td>
<td>0.1152</td>
<td>0.1117</td>
<td>0.1246</td>
<td>0.0051</td>
<td>0.04349</td>
<td>0.6195</td>
<td>-1.1870</td>
</tr>
</tbody>
</table>

Notes: TDTA = total debt to total assets; TANG=net fixed assets to total assets; LIQ=current assets to current liabilities; ROE = return on equity; SIZE=natural logarithm of assets; RISK= standard deviation of sales to average value of sales; NDTSH= amortization to total assets; GDP= growth rate of gross domestic product; INF= the percentage increase of product’s prices; INT=prime lending rate.

Table 2 reports summary statistics for the variables used in our study. It shows that the average total debt to total asset ratio (TDTA) for the sample as a whole is 0.5875.

5.2 Multicollinearity Analysis of the Variables

It is possible that the selected variables may be correlated, so the chosen variables may actually measure the effects of several different variables. To address this problem the study tests for the multicollinearity. The Variance Inflation Factor (VIF) is a commonly used for testing the multicollinearity problems. It shows the degree to which each independent variable is explained by other independent variable. As a rule of thumb, a VIF greater than 10 indicates the presence of harmful collinearity (Gujarati, 2003).

Table 3: Multicollinearity analysis of the variables selected

<table>
<thead>
<tr>
<th>Variable</th>
<th>VIF(1)</th>
<th>Variable</th>
<th>VIF(2)</th>
<th>Variable</th>
<th>VIF(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANG</td>
<td>1.255</td>
<td>TANG</td>
<td>1.255</td>
<td>TANG</td>
<td>1.255</td>
</tr>
<tr>
<td>LIQ</td>
<td>1.030</td>
<td>LIQ</td>
<td>1.029</td>
<td>LIQ</td>
<td>1.028</td>
</tr>
<tr>
<td>ROA</td>
<td>1.250</td>
<td>ROA</td>
<td>1.247</td>
<td>ROA</td>
<td>1.248</td>
</tr>
<tr>
<td>SIZE</td>
<td>1.135</td>
<td>SIZE</td>
<td>1.135</td>
<td>SIZE</td>
<td>1.135</td>
</tr>
<tr>
<td>RISK</td>
<td>1.162</td>
<td>RISK</td>
<td>1.161</td>
<td>RISK</td>
<td>1.161</td>
</tr>
<tr>
<td>NDTSH</td>
<td>1.168</td>
<td>NDTSH</td>
<td>1.166</td>
<td>NDTSH</td>
<td>1.166</td>
</tr>
<tr>
<td>GDP</td>
<td>21.415</td>
<td>GDP</td>
<td>1.092</td>
<td>GDP</td>
<td>1.038</td>
</tr>
<tr>
<td>INF</td>
<td>178.716</td>
<td>INF</td>
<td>1.075</td>
<td>INF</td>
<td>1.029</td>
</tr>
</tbody>
</table>

Table 3 shows the Variance Inflation Factor (VIF) of all the variables of this study. As we can see from the results the VIF (1) of GDP is equal to 21.415, of INF 178.716 and of INT is 170.983. So, it indicates the presence of a harmful collinearity among the variables this three variables which should not be used together in the same model. The results of VIF (2) and
VIF (3) show that VIF for all the variables are less than 10 and the problem of multicollinearity is resolved by eliminating one of the variables (INF or INT) from the model.

5.3 The Research Results

Employing panel data (cross pooled sectional data) analysis (Gujarati, 2004) and using Gretl (2012) statistical package we obtain the following output of regressions:

Table 4: Summery of models.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1 (WLS)</th>
<th>Model 2 (WLS)</th>
<th>Model 3 (WLS)</th>
<th>Model 4 (WLS)</th>
<th>Model 5 (WLS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td>Ytdta</td>
<td>Ytdta</td>
<td>Ytdta</td>
<td>Ytdta</td>
<td>Ytdta</td>
</tr>
<tr>
<td>Constant</td>
<td>0.0024</td>
<td>-0.0798</td>
<td>0.0426</td>
<td>-0.8564***</td>
<td>-4.1665</td>
</tr>
<tr>
<td>TANG</td>
<td>0.1276***</td>
<td>0.1629***</td>
<td>0.1395***</td>
<td>0.1379***</td>
<td>0.1333***</td>
</tr>
<tr>
<td>LIQ</td>
<td>-</td>
<td>0.0003</td>
<td>0.0005*</td>
<td>0.0005*</td>
<td>0.0004*</td>
</tr>
<tr>
<td>ROA</td>
<td>-1.2169***</td>
<td>-1.1685***</td>
<td>-1.2402***</td>
<td>-1.2402***</td>
<td>-1.2456***</td>
</tr>
<tr>
<td>SIZE</td>
<td>0.0368***</td>
<td>0.0409***</td>
<td>0.0359***</td>
<td>0.0354***</td>
<td>0.0350***</td>
</tr>
<tr>
<td>RISK</td>
<td>0.0992**</td>
<td>0.1128**</td>
<td>0.1140**</td>
<td>0.1142**</td>
<td>0.1193**</td>
</tr>
<tr>
<td>NDTSH</td>
<td>-</td>
<td>-0.5775</td>
<td>-0.5140</td>
<td>-0.5125</td>
<td>-0.5142</td>
</tr>
<tr>
<td>GDP</td>
<td>-</td>
<td>-</td>
<td>3.7768***</td>
<td>3.1977***</td>
<td>1.0303</td>
</tr>
<tr>
<td>INF</td>
<td>-</td>
<td>-</td>
<td>-6.0884***</td>
<td>-</td>
<td>22.7398</td>
</tr>
<tr>
<td>INT</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.3173***</td>
<td>29.3272</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.4141</td>
<td>0.4218</td>
<td>0.5338</td>
<td>0.5397</td>
<td>0.5404</td>
</tr>
</tbody>
</table>

Notes: ***Significant at 1% level, ** Significant at 5% level and *Significant at 10% level.

The estimated regressions equations obtained are given below:

\[ Ytdta = 0.0024 + 0.1276 \times TANG - 1.2169 \times ROA + 0.0368 \times SIZE + 0.0992 \times RISK + \varepsilon_1 \]
\[ Ytdta = -0.0798 + 0.1629 \times TANG + 0.0003 \times LIQ - 1.1685 \times ROA + 0.0409 \times SIZE + 0.1128 \times RISK - 0.5775 \times NDTSH + \varepsilon_2 \]
\[ Ytdta = 0.0426 + 0.1395 \times TANG + 0.0005 \times LIQ - 1.2402 \times ROA + 0.0359 \times SIZE + 0.1140 \times RISK - 0.5140 \times NDTSH + 3.7768 \times GDP - 6.0884 \times INF + \varepsilon_3 \]
\[ Ytdta = -0.8564 + 0.1379 \times TANG + 0.0005 \times LIQ - 1.2402 \times ROA + 0.0354 \times SIZE + 0.1142 \times RISK - 0.5125 \times NDTSH + 3.1977 \times GDP + 6.3173 \times INT + \varepsilon_4 \]
\[ Ytdta = -4.1665 + 0.1333 \times TANG + 0.0004 \times LIQ - 1.2456 \times ROA + 0.0350 \times SIZE + 0.1193 \times RISK - 0.5142 \times NDTSH + 1.0303 \times GDP + 22.7398 \times INF + 29.3272 \times INT + \varepsilon_5 \]

As we can see from model 5 because of the multicollinearity problem between GDP, INF and INT (identified by the VIF test) these variables results statistically insignificant. In fact GDP (model 3) and INT (model 4) have a positive and significant influence on TDTA. Otherwise INF (model 3) has a negative and significant influence on TDTA.

6. Conclusions

Capital Structure and the theories related to it are the primary subjects of research in corporate finance. This paper has attempted to find the determinants of capital structure of the Albanian firms. Six firm’s specific variables namely tangibility, liquidity, profitability, size, risk and non-debt tax shields and three macroeconomic factors (GDP growth rate, inflation rate and prime lending rate) have been added as independent variables to measure their effect on firm’s leverage.

Table 5: A summary of this study results

<table>
<thead>
<tr>
<th>Variables</th>
<th>The relation with TDTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANG</td>
<td>Positive</td>
</tr>
<tr>
<td>LIQ</td>
<td>Positive</td>
</tr>
<tr>
<td>ROA</td>
<td>Negative</td>
</tr>
<tr>
<td>SIZE</td>
<td>Positive</td>
</tr>
<tr>
<td>RISK</td>
<td>Positive</td>
</tr>
</tbody>
</table>
Table 5 shows the result of this study. So, GDP is positively related to capital structure. Several studies have provided empirical evidence on the positive relationship between GDP growth and leverage (Mateus, 2006; Salehi and Manesh, 2012). Inflation rate is negatively related to capital structure and interest rate is positively related to capital structure. Our results support the trade-off model which arguments that as interest rates increase the tax advantage of debt rises. This finding is not consistent with Antoniou et al. (2002) and Dincergok and Yalciner (2011) studies which proved that the interest rate is negatively related to leverage.

References:


Family Structure and Functioning and the Implications for Child Well-being in Albania

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Abstract

In the socio-demographic transitional times, the Albanian family has undergone considerable change in its structure and functioning and during the processes of socialization and interaction (Parson, 1956) it is supporting child development in a different manner (Tushi, 2012). The childhood is being indicated in the international literature as crucially important in the trajectory of human development, and early cognitive stimulation and body integrity are early life determinants of later development. This paper investigates the implication of the family structure and function on child well-being. The research questions are explored through bivariate analyses using nationally representative data from the Albanian Demographic and Health Survey (ADHS), 2008-09, and the theoretical framework relies on the Capability Approach theory (CA), (Sen, 1999) applied to measure child well-being in a family context. The independent factors concerns family structure and family functioning identified through some indicators believed to define parental attitudes towards childrearing such as fertility preference, desired number of children, and provision of adequate care to children. The parent–child interaction is observed through the parent's involvement in stimulating the child to enjoy early cognitive development and body integrity. Therefore, the stimulation of cognitive values as well as the parental discipline style are expected to support the development of two central capabilities of ‘Senses, imagination, thought’ and ‘Bodily integrity’ (Nussbaum, 2011) in order to ensure well-being during childhood.

Keywords: family structure, family function, childhood well-being, capability approach, Albania

1. Introduction

During the last two decades Albania has experienced a rapid transition accompanied by large socio-demographic changes. Family as a core social structure has as well undergone a considerable change in its structure (having fewer children, less members, and more disrupted marriages) and is nowadays performing its functions and supporting child development in a different manner (Tushi, 2012). Family dynamics (structure and function) is identified to be critical to the child outcomes and parent–child relationship is central of that dynamics. A persistent body of literature is developed on the impact of family structure and family change on child well-being. This literature documents significant evidence about children raised in different family contexts that displays differential patterns of outcomes across a wide range of developmental domains. The fundamental characteristics of the family concerns family structure and function. The research has consistently argued that family structure can facilitate or limit the ways in which parents are able to positively influence the future outcomes of their children (Amato & Keith, 1991; Amato, 2001; Sigle-Rushton & McLanahan, 2002). Furthermore the family structure can constrain family availability to provide its functions related to the social, human and time resources they devote to children for assuring their well-being.
The early years of life, from 0 to 5 years old\(^1\) are being indicated as crucially important in the trajectory of human development. Although the United Nations’ definition of early childhood refers to the period up to 8 years of age, most official statistics, including those derived from household surveys, collect data for children under the age of 5. The early childhood beside physical growth and survival, is a period that represent times of exploration, learning, making choices, identity consolidation, and relationship building. But in the other side, deprivation during this life phase—even for short periods of time—can have long-term and irreversible consequences. The Albanian young children 0-6 years old seem to hold a greater poverty risks (Menchini & Redmond, 2006)\(^2\) and a low probability to escape any form of deprivation as those linked to nutrition, education or material ones (Baschieri & Falkingham, 2007). But we know very little what is happening in terms of family effects on sustaining children cognitive development and social integrity, as early life determinants of later development. Beside, the issues have come out recently also as a policy concern in Albania, even though discussed on generalized manner.

To this aim, this paper will reveal the complex interplay between family dynamics and some early childhood well-being outcomes in Albania. The theoretical framework taken into consideration refers to the ‘Human Development Approach’ also known as ‘Capability Approach’ (CA) (Sen, 1999) which is internationally recognized as one satisfying and complete multi-dimensional approach to analyse child well-being in the family context. The CA identify the main concepts of functionings, capabilities and agency freedom (Sen, 1992: 39-40), and as argued by (Nussbaum, 2011: 26) children functioning’s are necessary prelude to adult capability. Nussbaum (2011) has developed a list of ten central capabilities used also for child well-being analysis in developing countries.

The data used for the empirical investigation are obtained from the Albanian Demographic and Health Survey, AHDS 2008-09, a survey includes rich nationally representative information early childhood outcomes such as health, education, early learning, early development The methods consists on logistic regression analyses, used to provide a deeper understanding of the effects of family structure and function on the outcomes of cognitive development and body integrity, identified through two capabilities as explained in the methodology section.

The results provide interesting empirical findings on the complexity of the relationships examined, as well as expected to contribute to the policy discourse about family interaction with early childhood well-being.

2. Family Dynamics and the Connection with Child well-being

The two decades of market-led economic growth have been accompanied by a significant transformation on the demographic patterns of the country. The population change over this period has reveals the first signs of the second demographic transition (Lerch, 2011), and family is experiencing important changes in its structure having now less children, less members, and more disrupted marriages. This process is associated with some new social patterns like the individualisation of society, changing values of children and parenthood. Of course all these changes bring consequences on family function as the primary supportive system for the early childhood, that accomplish their basic needs and incite the complete development of the child personality. The presence of this intimate system (family) and its important social roles are crucial for the child to develop adequately and being wealthy (Tushi, 2012).

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\(^2\) It refers to the relative risks that people in the age groups 0-6 yrs old will fall below the PPP $2.15 poverty line.
Well-being does have the potential of a bridging concept, in highlighting inequalities, acknowledging diversities, and respecting early children’s agency. Monitoring, protecting and promoting well-being is central to realization of children’s rights, as set out in the UN Convention on the Rights of the Child, (UNCRC, 1989) ratified also in Albania. Child well-being is multi-dimensional and there is no one standard definition of its various components, nor a standard set of internationally agreed indicators for measuring them. Defining and measuring child well-being is a challenge for the country policy and measures as well, because of the complexity of this concept which covers physical, cognitive and socio-emotional aspects of the child’s current situation (being), and development (becoming) (UNICEF, IRC 2009).

Child well-being as a well established concept and well evidenced in the international arena, has also become a substantial element of the policy and research discourse in developing countries (Gough & McGregor, 2007) associated with monitoring efforts that use well-being indicators to compare children’s experiences and contexts against normative as well as explicitly rights-based reference points (Dominic & Hoelscher & Bradshaw, 2008; UNICEF - Innocenti Reports www.unicef-irc.org/research/). In addition, interesting theoretical and empirical outputs are produced with the support of the Capability Approach, for developing countries including also the Albanian case (Di Tomaso, 2007; Baschieri & Falkingham 2007; Mangiavacchi et al, 2012).

However, child well-being is being introduced in the national research efforts and policy dialogue in Albania only during last recent years. Thus, it become increasingly popular as a concept in the field of social policy, national development, and more recently child development (e.g. respectively Tahiraj, 2008; Save the Children, 2012; Kusi, 2009)

3. Theoretical Framework and Concepts Used

The theoretical framework used here to measure child well-being in a family context, relies on the Capability Approach theory (Sen, 1999). The CA represents a new and innovative paradigm in the development and policy world, that embody the concept of well-being, which has been successfully applied, in developed and in developing countries. The capability approach claim about the assessments of the well-being or quality of life, and judgments of equality or justice, or the level of development of a country, primarily focusing on the opportunities that people have to lead the lives they have reason to value (Robeyns, 2006).

CA contains as main concepts: ‘functioning’, ‘capabilities’ and ‘agency freedom’. A ‘functioning’ is an achievement, i.e. what a person manages to do or be. These ‘beings and doings’ can vary from being adequately nourished, live a long and healthy life, and being well educated to rather complex achievements like social participation etc. The various combinations of functioning (beings and doings) are called ‘capabilities’ that represent the overall freedom a person enjoys to pursue her well-being (Sen, 1992: 39-40). While ‘agency freedoms’ are the opportunities available to reach capabilities which is inescapably qualified and constrained by the social opportunities available to us (Sen, 1999: xi-xii) which is entirely fined through our relationships to other persons (Deneulin & McGregor, 2010) being thus crucial for the parent-child connection.

Well-being in the CA and applied in this paper, is referring to the possession of those capabilities as the ‘the substantive freedoms’ a person ‘enjoys to lead the kind of life he or she has reason to value’ (Sen, 1999: 87), thus it has to do with the substantive freedoms that people have, rather than only on the particular outcomes with which they end up. The core valued human freedoms are well argued and presented on the Nussbaum version of the approach - more explicitly in her list of ten central human capabilities (2000: 78-80). Her list values in offering a comprehensive global assessment of the quality of life in a society, embracing numerous non-economic aspects of human life which is concerned with entrenched social injustice and inequality (Nussbaum, 2011). Two of the capabilities: Senses, imagination, thought and Bodily integrity, are drawn from this list to provide an analysis linked with some well-being aspects of Albanian children during early childhood. This choice is also inspired by Gough (2003) argument that find these capabilities among the privileged from Nussbaum because they are particularly developed at early ages. These capabilities connects to the outcomes of ‘early cognitive stimulation’ and ‘social integrity’, crucial for the development of the child character and for latter success in life (Tough, 2012). The capability failure is what produces latter deprivation (child deprivation) what creates imbalances and inequalities inside this group of population.

However the well-being state of a person, her beings and doings, may be the outcome of her own or of other people’s decisions and this has to do with another important concept developed in the CA – that of “agency” cited above

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3 CA is integral to Sen’s contributions to welfare economics, for which he was awarded the Nobel Memorial Prize in Economics in 1998 (Atkinson, 1999; Arrow, 1999).
which allows taking account of the interdependencies that characterize the capabilities of parents and children in particular during early childhood development that is more impacted by the agency of the children’s care persons than any other stage of life (Volkert and Wust, 2009). For example, parents devote time, personal care and support to the well-being of their children by playing, singing or reading with them – i.e. performing activities that have been shown to be decisive for the early child development of cognitive, language and social skills (UNICEF, MICS 2005). Similarly, parents foster the capabilities of their children to enjoy social and body integrity by teaching their children with the right behaviour or by addressing a behavioural problem.

But parents/caregivers relationships with children could be seen in the light of the inputs enabled in the family life, well represented by family structure and function. Family structure means composition of the family. Defining types of family structure has been a recent subject of debate, and the resulting ambiguity in terminology has contributed to the confusion about its effects (Popenoe, 1988; Stacey, 1996). In describing family (households) that do not conform to a “normal” conception of the family (that is, two married parents and their biological children), researchers often employ categories such as traditional/non-traditional, intact/non-intact, biological or natural parents, stepparents, cohabiting partners, and mother- only or father-only households. Here in the paper we use the concept of nuclear family (consisting of a husband, wife and their children or a single parent one. The extended one has a nuclear family at e core but including more members). While family size refers to the number of the family members.

The family is the first unit with which children have a continuous contact and the first context in which socialization patterns develop (Elkin & Handel, 1978). The parental attitudes in developing the ‘early cognitive stimulation’ and ‘social Integrity’ of young children are defined here as family functions. More concretely, we have identified some resource relevant indicators believed to represent important family functions with regard to the time, and human capital dedicated during early childhood in order to foster capabilities that ensures child well-being.

Besides, the identified depended and independent factors discussed here are linked to the indicators supplied by the ADHS 2008-09, a multipurpose survey carried out widely in developing countries for monitoring demographic, health and social aspects of the population.

4. Data and Measures

This paper investigates the implication of the family structure and function on child well-being, using nationally representative data from the Albanian Demographic and Health Survey (ADHS) 2008-09. This survey was designed to measure child developmental aspects and collects information for children under 5 years.

Descriptive and multivariate methods are used to study the relationships of interest in the research, using the subsample of 1550 children under 5 years to analyze ‘early learning’ and of 600 children 2-5 years old to analyze ‘social integrity’. The ADHS 2008-09 has measured discipline only for children 2-14 yrs old.

We have produced a two step models to see first the linkage between family structure and the outcome indicators. Family structure represents an important demographic component of a society in transition and also it is crucial for the policy making decisions.

In a second step are seen the potential linkages adding also the family function variables organized in two groups according to the type of function: (1) time devoted to children and (2) human capital devoted to children. This idea is supported by a considerable amount of family research who argue that parenting processes are more important than family structure when analyzing childhood outcomes.

The independent categories/variables considered in the analyses are described here in the table. The choice of indicators is driven by the relevance to the theory and to the availability in the ADHS dataset.

<table>
<thead>
<tr>
<th>Independent Categories</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| A) Family type         | 1. Family size  
                          2. Biological parents versus step parents  
                          3. Nuclear family versus extended family |
| B) Family function     | B 1. Time devoted to children |
|                        |   1. Mother working versus Mother not working last 12 months  
                          2. Non-parental child supervision  
                          3. Desired number of children  
                          B 2. Human capital devoted to children |
|                        |   1. Level of education of the mother  
                          Primary or secondary  
                          University + |
2. Fertility preference
   Want to have another child
   Want no more children

3. Age of mother at first birth
   Under 19
   19 – 24
   25 – 49

For measurement purposes in this paper we use the capabilities (rather than functioning) and the reference is made to two capabilities from the “Central list of Capabilities” from Nussbaum (2000). Nussbaum also mention the concept of ‘threshold levels’ for each of the capabilities on her list, below which “truly human functioning is not available to citizens (children); and the social goal should be understood in terms of getting citizens (children) above this capability threshold” (Nussbaum 2000: 6). The connection to the outcome indicators and the threshold level are explained here:

   The capability of Senses, imagination, thought\(^4\) for children under 5, is measured by the indicator of ‘Parent support for learning’ which specifies whether the parents are (a) reading books or looking at picture books with the child; (b) telling stories to the child; (c) singing songs with the child; (d) taking children outside the home compound or yard; (e) playing with children; (f) and spending time with children naming, counting, or drawing things, during the 3 days preceding the interview. A dummy variable is created: 1-4 category = 0 and 5-6 category = 1. The mean number of activities parent are engaged is 4.7 (from ADHS 2008-09 descriptive analysis) and this is defined as a threshold level, below which children experience capability failure because there is lacking the proper parent support.

   The capability of Bodily integrity\(^5\) for children under 5 years old is measured by the indicator of ‘Child discipline’ which specifies whether a child 2-5 years old had experienced any form of psychological or physical discipline in the month before the survey. It is created a dummy variabl: Non violent discipline or punishment = 0 and any psychological of physical form of discipline = 1. The experiencing of the non violent form of discipline is used as a threshold level in order to capture capability failure because of the physical and psychological forms of discipline parents administered to their children what in consequence disrupt their body and social integrity.

5. Results and Conclusions

Development in early years automatically concerns interaction with parents because the individual development happens in a contextual approach and the “family environment role in the overall achievement and ability of an individual is important” (Kagitçibasi, 2007). Through the binary logistic regression model we wanted to explore how family structure and function can facilitate or limit the ways in which parents are able to influence the well-being outcomes of ‘early cognitive stimulation’ and ‘body integrity’ in their children in order to stimulate the proper capabilities.

   The majority of families analysed here and which have a child under 5 years of age belong to an extended family type and are living in rural areas (62 percent and 61 percent respectively) and both categories are characterise by a high fertility rate (TFR 1.8) and the traditional (non modern) way of living is likely to be much stronger (ADHS 2008-09).

   Table 1 in the appendix shows the results of the logistic analyses where the two indicators of ‘Early learning’ and ‘Child discipline’ are used as dependent variables. We created two binary measures from these indices to indicate whether a child receives the appropriate form of support for early learning and form of discipline in both contexts. In both cases, the categories were explained in the methodology section. In addition, the score test for the proportional odds assumption conducted for the final models indicate that it was appropriate to use the two indicators as outcome variables.

   We are applying a two step model, in order to initially look at the relationship between the family structure variables with the selected outcome variables, and then after the relations with other potential family function variables were estimated. The results from the analysis in model 1a show that ‘early cognitive stimulation’ is significantly associated with the family size and family structure (Table 1 in the appendix). The likelihood ratio of ‘early cognitive stimulation’ is lower for children living in extended families compared to reference category, when other variables remain constant in the model. Among family variables, only the structure of the family is significant (OR = 0.766), indicating that the children

---

\(^4\) Senses, Imagination, and Thought is one from ten central capabilities from Nussbaum (2011), which means: Being able to use the senses, to imagine, think, and to reason -and to do these things in a “truly human” way.

\(^5\) Bodily Integrity is one from ten central capabilities from Nussbaum (2011), which means: Being able to move freely from place to place; to be secure against violent assault, including sexual assault and domestic violence.
living in extended families are less likely to get involved with early education activities and thus have lower chances to develop the capability of senses, imagination and thoughts. Involvement in early education activities is higher for mothers engaged in working activities during the last 12 months (OR = 1.288) and for mothers with higher education (OR = 1.485). Obviously, being in the families where children are left with inadequate care in a considerable number of times (as per ADHS 2008-09), significantly reduces the chances to have the adequate stimulation for cognitive activities. While the preference of women for another child (OR = 0.680) decreases the chances for developing the capability of senses, imagination and thoughts.

When we examined family structure as a direct causal influence on aspects of child capabilities of ‘body integrity’ represented through ‘child discipline’ variable, none of the family formation variables show significant differences (model 2a in Table 1). The use of any psychological or physical form of discipline from parents into their children appear lower for the category of mothers that declared to desire more children (OR = 0.532) and that would prefer a bigger family with many children (OR = 0.970). Having a highly educated mother increases the chances for a child to receive the appropriate form of discipline without psychological or physical punishment, but surprisingly there is no significance appearing for the mother employment variable. This result is effected by the high correlation between mother education and mother employment variables ($r = 0.336$, $p < 0.001$) (Table 2). The chi-Squared test for this two variables shows a value of 173 for the p-value $< 0.001$, which confirms that employment and education are statistically related.

The analyses fails to control for crucial familial contextual characteristics such as such as ‘wealth index of family’ and ‘family residence’ which ideaed were initially considered to get included in the analysis but has been excluded in a latter stage from the model in order to check the possibility of increasing the significance of “mother education” and ‘mother employment’ variables (because of hight correlation). Indeed after moving out this variables, the estimates changed showing a higher significance. The table of correlations indicates also higher correlations values had the residence and poverty status ($r = 0.594$, $p < 0.001$) as shown in Table 2 in the appendix.

The ‘early cognitive stimulation’ and ‘body integrity’ during early childhood are being recognized in the child development literature as very important because they foster life course trajectories. In the transition period from infancy to early childhood, the parents role is shifting from a caretaker to a role of directing, shaping, and reinforcing children’s cognitively for facilitating critical early learning. Furthermore parents today practices diverse modeling, reinforcing, and punishing behavior, important for developing their children social integrity. According to this view, family formation, being a young mother, dependence, joblessness, parent education may have particularly harmful effects during early childhood, generally defined as infancy through the first five years of life (Hetherington, Cox, and Cox 1978; Davis-Kean 2005).

Of course Albanian parents with their own agency and capabilities, and under the influence of culture and tradition, transmit to children at the age 0-5 years at a level of 79 percent the required care (four or more of the specified children’s activities) (ADHS 2008-09). They also practice some forms of psychological or physical discipline at a level of 68.9 percent for children under 5, when they misbehave (ADHS 2008-09).

From our analysis, is evident that parents invest time, energy, and human resources in performing their role to increase their children’s well-being. The intimate relationships between family formation, family childrearing function and child well-being outcomes, already confirmed in the international literature, are also apparent in the estimated binary logistic regression model. The results demonstrates that the aspirations of the adults (parents) towards advancing the well-being of their children (measured by fertility preferences, desired number of children, care after children) have a significant effect on creating the capabilities of ‘senses and thought’ and ‘body integrity’ confirming that the parental efforts for developing the cognitive skills in young children as well as the parental discipline style either ensures child’s well-being or leads them toward deprivation.

More concretely, human capital, reflected in parents’ years of education, age of parent, preferences for another child, represent some important human resources that conditions parents investment for their children’s well-being. Educated parents have greater knowledge and expertise to build a supportive cognitive and emotional environment for the child to develop and this is true for both parents, with a odd ratio of 1.485 for mothers with university and higher education, and with an odd ratio of 4.169 for fathers with university and higher education. Still, education appears as a very decisive attribute for getting fathers involved in this process.

Age of parent (mother) is crucial for quality of care, safe and stimulating environments to increase their children’s achievements and decrease their problems. Conversely, teenage mothers may have fewer personal resources to invest in their children. Conventional wisdom suggests that teenage and younger mothers may be emotionally unprepared for parenthood, have fewer parenting skills, and lack resources compared to adult mothers (Furstenberg et al, 1990). The preference to stopping child bearing means more human capital available for the existing children and in the contrary, it reduces the chances for the children to have adequate early stimulation support from parents (as it is shown in Table 1
with OR = 0.680). While for the body integrity capabilities the higher level of education of the mother and father, as well as the preference to stop child bearing (OR=0.532) reduces the chances for the capability failure. 

Time resources are embedded in parents working relations – what means reduced time for their children, in quality of care in supervising the child in early ages and in the preferences for a numerous family with many children. Indeed the time resources appear to influence parent-child relationships inside the family, especially concerning the creation of early learning capabilities. While for the body integrity capabilities, only the preferences for a numerous family appears to increase the possibility of the capability failure.

In return to the parent support and care which constitute the child ‘agency freedoms’ - named as the opportunities available to them to reach capabilities – children do not only refrain the lack of capabilities, but are consequently capable to acquire greater human and social capital and accumulate greater wealth in the their life.

At the very end, this analyses contribute in stimulating the national research discourse about family and child well-being issues recognizing the “exceptional role of the family as a social structure, which is explained by the functions it carries out for the greater society” (Kingsbury & Scanzoni, 1993).

References


Appendix

Table 1. Interaction of family dynamics with child well-being outcomes (odds ratios from binomial logistic regression models)

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Family support for learning: 5-6 activities vs 0-4 activities</th>
<th>Child discipline: Any psychological or physical vs no violent form or no discipline at all</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1a</td>
<td>Model 2b</td>
</tr>
<tr>
<td>Exp(B) (sig)</td>
<td>Exp(B) (sig)</td>
<td>Exp(B) (sig)</td>
</tr>
</tbody>
</table>

A) Family type

| Family size | 0.936 (0.058) | 0.943 (0.123) | 0.951 (0.540) | 0.876 (0.122) |
| Living with biological parents | 1.154 (0.360) | 1.034 (0.834) | 1.151 (0.692) | 1.225 (0.576) |
| Living with both biological parents | 1.000 | 1.000 | 1.000 | 1.000 |
| Living with one or no biological parents | 1.151 (0.692) | 1.000 | 1.034 (0.834) | 1.000 |

Structure of family

| Nuclear family (one or two parent family) | 1.000 | 1.000 | 1.000 | 1.000 |
| Extended family | 0.741 (0.022) | 0.766 (0.060) | 0.771 (0.405) | 0.981 (0.955) |

B) Family functioning

| Maternal employment | Not working in the last 12 months | 1.000 | 1.000 |
| Working | 1.288 (0.056) | 1.290 (0.416) |
| Non-parental child supervision | Child left with inadequate care | 1.000 | 1.000 |
| Otherwise | 1.402 (0.056) | 0.415 (0.112) |
| Desired number of children | 0.900 (0.061) | 0.970 (0.000) |
| Level of education of the mother | University + Primary or secondary | 1.485 (0.072) | 0.509 (0.059) | 1.000 |
| University + Primary or secondary | 1.000 | 1.000 |
| Level of education of the father | University + Primary or secondary | 4.169 (0.003) | 0.714 (0.034) | 1.000 |
| University + Primary or secondary | 1.000 | 1.000 |
| Fertility preference of the mother | Want to have another child | 0.680 (0.002) | 0.532 (0.027) | 1.000 |
| Want no more children | 1.000 | 1.000 |
| Age of mother at first birth | Under 19 | 0.773 (0.186) | 0.928 (0.888) |
| 19 – 24 | 0.779 (0.158) | 0.572 (0.216) | 1.000 |
| 25 – 49 | 1.000 | 1.000 |

Sample size | 1550 | 1550 | 600 | 600
Note: * p < 0.05; ** p < 0.01.

**Table 2. Correlations for some independent variables**

<table>
<thead>
<tr>
<th></th>
<th>Mother employment</th>
<th>Poor vs non poor</th>
<th>Mother education</th>
<th>Place of residence (urban/rural)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mother employment</td>
<td>1</td>
<td>-0.002</td>
<td>0.336**</td>
<td>0.104**</td>
</tr>
<tr>
<td>Poor vs non poor</td>
<td>-0.002</td>
<td>1</td>
<td>0.256**</td>
<td>0.594**</td>
</tr>
<tr>
<td>Mother education</td>
<td>0.336**</td>
<td>0.256**</td>
<td>1</td>
<td>0.333**</td>
</tr>
<tr>
<td>Place of residence</td>
<td>0.104**</td>
<td>0.594**</td>
<td>0.333**</td>
<td>1</td>
</tr>
<tr>
<td>(urban/rural)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * p < 0.05; ** p < 0.01.
E-Transformation of Municipalities and Social Media’s Role on E-Participation in European E-Municipalities

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Abstract

The advancements in information and communication technologies (ICT) have created a solid transformation in each governmental organization such as municipalities. The electronic transformation of governmental organizations, for instance e-municipalities, have transformed offline services into online. The goal of the electronic transformation of governmental organizations is to create a citizen centric government with high accountability and transparency rates. To sustain the goal of the governmental e-transformation, e-democracy should be implemented in depth; and to implement e-democracy, e-participation of citizens should be encouraged. Municipalities are a feasible governmental organization to identify the existence and e-participation support level in a country because of the propinquity between the citizens and municipalities. In this article, at first e-municipality, e-democracy and e-participation concepts are discussed and social media’s role on creating e-participation is emphasized with United Nation’s digital participation reports. Finally, social media usage research that is conducted on municipalities of European capitals is shared to identify the e-participation level in European local governments.

Keywords: E-Government, E-Municipality, E-Participation, Social Media and Government

1. Introduction

E-government is certainly one of the most important developments of recent years in terms of governmental information processing. It makes several promises such as reducing fraud, increasing productivity, promoting democracy an citizen participation. As of 2011 all United Nations countries have e-government programs on different stages of development. (Whitmore, 2012)

The progress in the information and communication technologies changes the way of public service distributions. Due to this progress, state – citizen relationship becomes bi – directional and the development of e-government advances rapidly. This opportunity of interaction can be described as a great improvement in terms of increasing the effectiveness of public organizations. Two important outcomes arise from the advancement of e-governments. First, the spread of e-government services allow citizens to save both time and money. Second, the governments’ effective usage of social media provides both accountability and transparency for the government from citizens’ perspective. In fact, e-government is often seen as an effective means to create public value for citizens. (Karunasena, 2012) According to this point of view it can be understood that the e-government formation will gradually grow stronger and will play an important role all over the globe.

In this study European capitals’ municipalities’ will be observed and analyzed from different aspects to see if they fit the standards of a citizen centric e-municipality. These web sites will first be observed and analyzed according to the usage of social media and secondly the adequacy in terms of the 4 – stage model by Baum & Maio (2000).
2. Application of the 4 – Stage model to e-municipalities and Ways to Move Forward to E-Democracy

Gartner defines e-government as the continuous optimization of service delivery, constituency participation and governance by transforming internal and external relationships through technology, the Internet and new media. They also present an e–government model with four stages. In their e-government model Gartner describes these stages as web presence, interaction, transaction and transformation. (Baum & Maio, 2000)

- **Web Presence**: The first stage is the basic form of e – government. At this level, the governments will share explanatory and descriptive information about themselves. Since this level is only about information sharing, only static information is provided through the government web sites.

- **Interaction**: At this stage the static web site switches to a simple interactive web site. Providing search functions or form downloading are examples of this interactivity. But still governmental services are not provided.

- **Transaction**: The main purpose of this level is to allow citizens to conduct all governmental services online. Services mentioned herein may include visa applications, filing taxi renewing licenses, complete online transactions, etc.

- **Transformation**: While first three levels are mainly about digitizing the existing governmental services, transformation level is about changing the way governments’ services. The transformation level involves both vertical (i.e. governments in different levels) and horizontal integration (i.e. different departments or governments in different locations). (Al-Khatib, 2009) This level ideally defines a portal that integrates all e-government services.

These e-transformation stages can be applied to every governmental organization. In this study, municipalities will be considered because of their closeness to the citizens. The assessment in ICT brings a great potential for governments such as municipalities to transform for more effective and efficient governmental services and for prove their citizen centric apprehension.

E-Municipality covers a number of mechanisms, which convert the paper procedures of a traditional municipal office into electronic processes, with the goal to create paperless office, to increase productivity and performance of municipalities. Its objective is to introduce transparency and accountability leading to better e-Government within municipalities. (Lee & Neff, 2004)

According to (Rasoulian, Bagheri, & Rasooli, 2012), Specifications and advantages of e-municipality are listed as:

- Excluding paper files and converting them to digital information
- Excluding sections relating to telephone operator in the organization
- Considering electronic communication and applying it in operator section
- Creating a place for exchanging views of citizens about performance of the mayor and municipality organization
- Paying duties for renovation, etc. through internet
- Excluding trends of municipality files and reducing physical traffic to the organization
- Informing activities of the municipality and affairs relating to city on a daily basis

E-municipality provides the advantage of high higher transparency and accountability rates which are mandatory for being a citizen centric governmental organization.

It is a fact that efficient and modern public services stimulate economic growth so successfully implementation of e-government will lead the success for the Lisbon strategy, which aims to transform the EU into “the most competitive and dynamic knowledge –based economy in the world” by 2010. (Europa.eu, 2004) Thus analyzing the municipal transformation is extremely important to understand the level of development in Europe according to Lisbon process.

The 4-stage model's purpose is to sustain a citizen-centric e-government system. The municipalities are the closest governmental organization to the citizens thus status of European Capitals’ municipalities in four stage model is listed as:

<table>
<thead>
<tr>
<th></th>
<th>Presence</th>
<th>Interaction</th>
<th>Transaction</th>
<th>Transformation</th>
</tr>
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<tbody>
<tr>
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<td>1</td>
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<td>Turkey</td>
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</tr>
<tr>
<td>Greece</td>
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<td>Azerbaijan</td>
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<td>0</td>
<td>0</td>
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</tr>
</tbody>
</table>
Table 1. 4 - Stage Model Application to Metropolitan Municipalities in Turkey

(Siau & Long, 2005) suggested five different e-government stage models capturing the whole vision of e-government (using Meta-synthesis method). Their e-government stage model has the following five stages: web presence, interaction, transaction, transformation, and e-democracy.

As e-democracy is added as the fifth level to the four stages explained above it is defined as follows:

E-democracy: This is a long-term goal for e-government development. Governments attempt to improve participation and transparency by offering online participation tools such as online voting and surveys.
In order to achieve e-democracy as defined citizen participation must be obtained. At this point this participation takes the name of e-participation.

E-participation can be described as taking active role in political decision making via using the new information and communication technologies particularly the Internet. The citizen involvement with information and communication technologies can be understood as technology-mediated interaction between civil society and formal politics. The focal point of e-Participation is the citizens; the primary goal of this concept is increasing citizen participation in digital governance. (Sæbø, Rose, & Skiftenes, 2008)

According to (Macintosh, 2006) Macintosh (2006), e-Participation has three different levels: e-Enabling, e-Engaging and e-Empowerment. E-enabling level of e-participation is the process of creating access and citizen knowledge to the e-government services. E-engaging is allowing deeper contributions from a wider audience in order to support mainly deliberative debates on policy issues and the e-empowerment can be seen as active two-way participation.

To sustain e-enabling, e-engaging and e-empowerment for creating a proactive citizen in digital environment, these activities should be actualized (Sæbø, Rose, & Skiftenes, 2008)

- E-voting
- Online Political Discourse
- Online decision making
- E-activism
- E-consultation
- E-campaigning
- E-petitioning

Social media has a great potential to develop these activates successfully. Social media with the time and place independency, multi-way communication availability and digital structure, has great potential to start developing these activities. Using social media can sustain accountability and transparency thus e-democracy as the last phase of governmental e-transformation process can be considered.

United Nation’s researches over years show that social media tools’ usage in governmental bodies is increasing the e-participation rates. In UN e-government Survey 2012 (Nations, 2012), information and communication technologies potential of ensuring efficacy, transparency, responsiveness, participation and inclusion in the delivery of public services is emphasized. Many developing countries have adopted citizen inclusion as key in providing citizen centric governmental services. Governments have started using Web 2.0 to complete their digital transformation, such as Kazakhstan’s blog usage for higher citizen participation. UN’s (Nations, 2012) e-participation index of European countries is shown in Table2.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Index Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<tr>
<td>3</td>
<td>United Kingdom</td>
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<td>Estonia</td>
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<td>Finland</td>
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<td>Norway</td>
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<td>7</td>
<td>Sweden</td>
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<td>Russia Federation</td>
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<td>Republic of Moldava</td>
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<td>Rank</td>
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<tr>
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<td>---------------------------</td>
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<tr>
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<tr>
<td>32</td>
<td>Bosnia and Herzegovina</td>
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Table 2. UN’s e-participation Index

<table>
<thead>
<tr>
<th>Region</th>
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<tbody>
<tr>
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<td>World</td>
<td>0.2225</td>
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Table 3. UN’s Regional e-participation Rate

<table>
<thead>
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<th>UN's Regional e-participation Rate</th>
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<tr>
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Table 4. UN’s e-participation rates according to countries’ development status

Municipalities are the closest governmental structure to the citizens so e-participation processes should be implemented urgently in this governmental body to sustain citizen-centric e-municipality structure. In order to develop efficient e-participation, the use of social media and Web 2.0 tools is must for the municipalities.

The tools that should use to sustain e-participation for e-municipalities can be listed as (Bonsón, Torres, Royo, & Flores, 2012):

- Blogs
- Wikis
- Social Networks
- Social Bookmarking Sites
- Widgets
- RSS

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Table 5. Usage of Web 2.0 technologies in Turkish metropolitan e-municipalities

61.3% of the European population uses the internet (MiniwattsMG, 2013; MiniwattsMG, 2013) and according to Mashable (2012) there are 223 million Facebook subscribers and Europeans actively use Twitter, Google+, Linkedin, Badoo and Odnoklassniki among other social networking services. Social Media subscription and usage levels are expanding with a high pace and in Table 6 the presence of social media channels are shown.

Table 6. Usage of social media tools in European e-municipalities

70% of the municipalities have an official Facebook page, and 40% of the European municipalities have an official Twitter account. 28.9% of the European Municipalities have no social network account to communicate with their citizens and only 13.3% of the municipalities have a blog.

3. Conclusion

In theory participation is the fundamental principle of democracy and more proactive citizens will create more democratic environment. The assessment in information and communication technologies, particularly Internet has generated a digital opportunity for governments to transform themselves into a more effective and efficient working organizations. This transformation, the e-transformation, has 5 stages: starting with the digital presence of the governmental and ending with a stage called e-democracy.

The opportunities came up with the ICT have created a chance for governments to prove their democracy and citizen centric government apprehension. As the last stage of e-transformation the e-democracy is about the citizen participation in digital environment. The e-democracy will bring accountability and transparency to the governmental bodies such as municipalities.
The municipalities are the closest governmental organizations to citizens thus municipalities’ electronic transformation with e-democracy can be assumed as the right organization to start questioning the e-participation level.

According to Lisbon strategy, every European country should achieve successful e-governmental infrastructure. The vast majority of European countries have successfully marching through a successful e-government. It must be emphasized that effective usage of social media will create a great help for governments to sustain transparency and accountability; e-participation rates show that there are noteworthy number of European countries needs the help of social media.

“Citizens for governments versus the governments of citizens” is one of the oldest dilemmas of the human history. The e-participation would bring at least a chance for citizens to raise their voice however effective usage of social media can only provide an ignition for e-Participation.

References

Pension System Reforms in the Republic of Macedonia: Expected Benefits and Challenges

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Abstract

The process of pension system reforms in the Republic of Macedonia has been initiated in 1993 due to deficits of the Pension and Disability Insurance Fund (PDIF), low fertility rates, demographic aging and high unemployment rates in the country. With the enactment of the new Law on Pension and Disability Insurance and series of its subsequent changes and amendments, in the period until 2000 a policy of growing restrictions in the management of the state pension system was in place. Pension and disability insurance in the Republic of Macedonia until 2006 used to belong to the Pay As You Go System (PAYG), based on inter-generational solidarity and financed through workers salary contributions. The key reform was the transformation of this PAYG system which entailed a line of challenges related to its solvency. The new system kept the PAYG go principle only in the first pillar, while the other two newly introduced pension pillars are financed through individual savings accounts. This paper is going to address the above pension system changes, focusing on both paradigmatic and parametric reforms. In addition, it attempts to present the subsequent challenges and expected benefits of these processes.

Keywords: pensions, pension system, paradigmatic reforms, parametric reforms

1. Legal and Institutional Framework

Pension and disability insurance in the country before 2006 used to belong to the Pay As You Go System (PAYG), based on inter-generational solidarity and financed through workers salary contributions. However, this PAYG system was transformed. The new system kept the PAYG principle only in the first pillar, while the other two newly introduced pension pillars are financed through individual savings accounts.

The new three pillar pension system is legally based on three different Laws. The first PAYG public pension pillar is based on the Law on Pension and Disability Insurance and its many subsequent changes since 1994. The second pension pillar was initiated with the adoption of the Law on Mandatory Fully Funded Pension Insurance in 2002 and its subsequent changes. Additionally, recently introduced voluntary third pension pillar is regulated with the Law on Voluntary Fully Funded Pension Insurance adopted in 2008.

Governance of the pension and disability insurance is split between several institutions. The Pensions and Disability Insurance Fund (PDIF) is in charge for the collection of the contributions from the first public pension pillar. The contributions in the second pension pillar currently can be paid only in two private pension funds (Nov Penziski Fond/NPF and KB Prvo Penzisko Drustvo) selected on an international public tender in July 2004. The licenses within the mandatory fully funded pension insurance were granted to two pension companies on April 4, 2005. Their approvals for
pension fund management are granted for a 10-year period. The private pension companies and pension funds are under
direct supervision of the public Agency for Supervision of Fully Funded Pensions Insurance (MAPAS). The National Bank
of the Republic of Macedonia has had the role of a custodian of pension assets in the first five years since the beginning
of the reform, while afterwards it will be in charge of issuing the permit to an elected commercial bank. For the voluntary
pension funds, the custodian can be a commercial bank that meets the requirements prescribed in the law. Finally, the
MLSP is in charge of creation and supervision of the policy for pension and disability insurance. It is also responsible for
the supervision of the work of MAPAS and PDIF (Bornarova, Gerovska-Mitev, 2009: 13-14).

2. Parametric Reforms

Due to deficits of the Pension and Disability Insurance Fund (PDIF), low fertility rates, demographic aging and high
unemployment rates1, the Government of Republic of Macedonia initiated the process of reforms of the pension and
disability insurance system early in 1993. With the enactment of the new Law on Pension and Disability Insurance and
series of its subsequent changes and amendments, in the period until 2000 a policy of growing restrictions in the
management of the state pension system was in place. To improve the solvency of the PDIF and to tighten eligibility
criteria, a set of parametric reforms were implemented:

- Restrictive measures, introduced with the Law on Pension and Disability Insurance, that entered into force on
January 1, 1994 regarding: retirement eligibility criteria, by instituting higher retirement age, i.e. from 60 to 63
years of age for men and from 55 to 60 years of age for women; estimation of the pension base by the
average of all wages of all years of service, instead of the 10 most favorable ones; lowering of the replacement
rate from 85% to 80%; as well as repeal of the possibility to “buy” years of contributions as an option for
fulfilling the eligibility criteria for retirement.

- Another set of restrictive changes of the Law were introduced in 1995, revoking the social elements from the
pension and disability insurance system: the right to financial allowance for care and support by others; right to
using social standard funds by the beneficiaries and the right to the funds for improvement of the protection of
the disabled.

- Amendments to the Law in 1996 introduced: calculation of valorization coefficients; minimum pensions;
calculation of maximum pensions according to the wages in the non-economic sector in order to provide
compatibility of all factors that influence the pension level.

- Amendments to the Law on Financial Working in 1997 had the biggest effect on improved financial balance of
the PDIF. It provided for payment of big parts of the unpaid past contributions with 70% discount or in
installments. Also, more efficient mechanism was established regarding payment of the current contributions
for pension and disability insurance on 25th in the month for the previous month at the latest (European

These changes provided for the desired effects in short run in terms of the balance between incomes and
expenditures in the pension system, reduced influx of new pensioners and pension levels, regularity in pension payments
and budget transfers towards the PDIF. However, solving the challenges in the long run imposed the need to deepen the
reform of the pension system in a direction of its gradual privatisation. The need for privatisation of the pension system
was emphasised in many relevant documents and reports prepared in this period. The National Development Strategy for
Macedonia prepared with UNDP support, refers to the need for Macedonia to pass over to a three-level pension and
disability insurance system by emphasising that “The process of “tightening” the public fund that has been having deficit
problems for a long time should go along with the spreading of private pension schemes...” (Macedonian Academy of
Sciences and Arts, UNDP, 1997: 100-101). The same year, the document “Pension System in Macedonia:
Recommendations for Reforms” prepared by the CARANA Corporation for USAID also recommended privatisation of the
pension system to reduce the financial burden of the PDIF. It also pointed out the political challenges related to the
pension system reforms that should be expected....“The reforms almost always encounter resistance, due to the fact that

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1 Enterprises did not paid contributions for their employees regularly. Dismissed workers who found employment in the non-formal sector
were most often out of reach for the organs for payment of social contributions. To tackle these problems, the government was initially
increasing the pension contributions and in parallel was liberalising the regulations for early and disability pensions to compensate for
the increased unemployment in the country (Vucev, 2009: 266).
implication was that the reform was 'imposed' by IMF and World Bank arrangements, without taking into consideration alternative country based solutions in regard to the pension specifics and characteristics. The prevailing general expert-based debate regarding social risks in the new reformed pension system. Lack of such debate reduced the space for employers, in Macedonian and Albanian language. The media campaign was followed by PR activities, such as press publishing ads, newspaper banners and billboards and dissemination of informative brochures for employees and leaflets "Inform Yourselves about your Rights – The Decision is yours" in 2006 through broadcasting of TV commercials, pension provider rather than the private sector. The MLSP has conducted a public awareness campaign under the name "Private Pyramidal Schemes". The focus groups of pensioners were skeptical of the reform, mainly because of the previous negative experience with 'private pyramidal schemes', as well as the prevailing trust towards the state as a pension provider rather than the private sector. The MLSP has conducted a public awareness campaign under the name "Inform Yourselves about your Rights – The Decision is yours" in 2006 through broadcasting of TV commercials, publishing ads, newspaper banners and billboards and dissemination of informative brochures for employees and leaflets for employers, in Macedonian and Albanian language. The media campaign was followed by PR activities, such as press conferences, open events, interviews with the Minister of Labour and Social Policy, the Director of the PDIF and the Director of MAPAS and public presentations. However, it should be noted that the public campaign did not involve an expert-based debate regarding social risks in the new reformed pension system. Lack of such debate reduced the space for alternative country based solutions in regard to the pension specifics and characteristics. The prevailing general impression was that the reform was ‘imposed’ by IMF and World Bank arrangements, without taking into consideration long-term solvency.

3. Paradigmatic Reforms

The introduction of the paradigmatic pension reform was initiated with the technical and financial support of the World Bank within the 9.8 million dollars loan SPIL. One of the two components in the SPIL refers to the reforms in the pension and disability insurance system. The 2000 Law on Pension and Disability Insurance established the legislative framework required for the new pension system based on the three pillars: 1) mandatory defined benefit pillar (reformed pay-as-you-go system); 2) mandatory fully funded pillar; and 3) voluntary fully funded pillar.

The first pension pillar covers the risk of old-age, disability and survivors pensions, as well as minimum amount of benefit. It encompasses all employees and all other beneficiaries covered by the pension scheme, including the self-employed and agricultural workers. A person is entitled to an old-age pension when 64 (man) or 62 (women) and minimum 15 years of service. Total contribution rate is 21.2% of gross salary. For those entering the second pillar, 7.42% of these are transferred from the PDIF to the second pillar (MLSP, 2008: 68). Those who do not fulfill these conditions cannot be included in the pension insurance. This pillar is in constant deficit subsidised by the state budget (Vucev, 2009: 267).

The second pillar is a mandatory individual capitalized savings system, which started operating on 1st of January 2006. This insurance provides right to pension insurance in case of an old age, i.e. payment of old age benefit. Mandatory fully funded pension insurance covers persons that started working for the first time after January 1, 2003, i.e. younger generations, which provided for the gradual introduction of this system. In addition to the mandatory entrants in the new pension system, there is a possibility for voluntary entrance of current contributors but also others (not covered by the first two pillars) to the third voluntary pension pillar. This pillar sets no limitations as to the levels of contributions. Third pillar contributors may effectuate the right to old age pension 10 years before the legal pension age (54 for men and 52 for women). It also provides the possibilities for establishment of professional pension schemes. The third pillar started in 2008 (MLSP, 2008c: 69-70).

Prior to the introduction of this reform there was campaign period (2002-2006) when several public opinion surveys on the new pension system and pension reform were carried out. According to the World Bank's social assessment (as part of the SPIL project), focus groups which included employers and public officials were positive towards the planned reform (Donevska, Trbojevik, 2009). The focus groups of pensioners were skeptical of the reform, mainly because of the previous negative experience with 'private pyramidal schemes', as well as the prevailing trust towards the state as pension provider rather than the private sector. The MLSP has conducted a public awareness campaign under the name "Inform Yourselves about your Rights – The Decision is yours" in 2006 through broadcasting of TV commercials, publishing ads, newspaper banners and billboards and dissemination of informative brochures for employees and leaflets for employers, in Macedonian and Albanian language. The media campaign was followed by PR activities, such as press conferences, open events, interviews with the Minister of Labour and Social Policy, the Director of the PDIF and the Director of MAPAS and public presentations. However, it should be noted that the public campaign did not involve an expert-based debate regarding social risks in the new reformed pension system. Lack of such debate reduced the space for alternative country based solutions in regard to the pension specifics and characteristics. The prevailing general impression was that the reform was 'imposed' by IMF and World Bank arrangements, without taking into consideration long-term solvency.

2 Financing of the contributory part of the social protection system has recently changed with the introduction of the Law on contribution for compulsory social insurance (Official Gazette, 142/08), and its implementation from 1st of January 2009. Among other changes, this Law introduced gradual reduction of the social contribution base for pension, health and unemployment insurance for 10 percentage points, namely from previous 32% to 22%, between the period 01.01.2009 till 01.01.2011. The reduce in contributions from a macroeconomic point of view was introduced to shrink the price of labour, with an expectation that it will contribute to an increased employment and transfer of the work force from the informal into the formal sectors of the economy.

3 As of December 31st 2006 there were 128.031 members into the second pillar, which represents 31.5% of all insured persons, or 14.35% of the active population (European Commission, 2007: 13).

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the social concerns of the population. Among the few who challenged this reform were the trade unions, but their impact can be described as ‘too little, too late’. Trade unions were in favor of a voluntary, rather than mandatory second pillar. Despite trade unions’ efforts to point out these problems by organizing a general strike in 2000, their activities did not have an impact on the political will and decisions (European Commission, 2007: 123-124).

3.1 Expected Benefits from Paradigmatic Reforms

Expected benefits from the reforms on national level are the improved solvency of the pension system, influence on the development of the capital, labour market and reduce in public expenditures on the long run. On individual level, increased pension security is expected,4 as capital financed pension systems are more resistant to demographic changes. This will provide for amortisation and diversification of risks. Transparency and insight into individual accounts is additional benefit.

Expected benefits from the second pillar are: transferring part of the financial burden to the insurers; reducing the older people care expenses for the next generations; stabilised income of pensioners that will not be dependent on the demographic factors; increase in the individuals’ work initiatives and social insurance to provide for their future; income will not be depended only on paid contributions in the previous years, but also on the income from interest rates, dividends and other investments (Vucev, 2009: 267-271).

Experts claim that it is too early to assess the returns from the pension system reform investments. Probably the best benefit of the undertaken pension reform can be seen in the improved institutional functioning, in terms of transparency of the institutions involved, as well as the contribution collection (Bornarova, 2010). Unfortunately, positive outcomes of the new pension system are not visible in the other aspects of the reform (European Commission, 2007: 117). So far, access to the pension system and exclusion of some vulnerable population groups from the second pillar are emphasised as key shortcomings in the reforms. Namely, older people continued to benefit only from the first pillar. Agricultural workers are also not covered with the second pillar since their contributions are registered according to their cadastral income, which is too low, and cannot be divided in the two pillars Additional vulnerable groups in relation to the pension insurance access include: unemployed people, redundant workers (laid-off workers), those working only with short-term employment contract for which the employees pay only personal tax, those working on the grey market, including particularly the ethnic groups (Roma, Albanians) who are far less likely to be in registered work, leading to increased risks of poverty in old age. Also, very frequent condition in the private sector (especially in the small and medium sized companies) is the underreporting of salaries, which contributes towards payment of the pension contribution to the minimally calculated base (and not on the real paid salary). This will have an effect on future pensions of huge number of people, who will retire with below the average or minimal pensions (European Commission, 2007: 122-123). UNDP experts warned of this risk back in 1999 emphasising that the strength of the lobby for privatisation and funded schemes to replace pay-as-you-go state pensions should be tempered by acute concern about the implications for low-income earners and for income distribution. The three pillar schemes tend to erode the role of the state-guaranteed social protection and generate inequalities. Those with long-term, well-paid employment stand to benefit from such systems, but the poor and vulnerable who rely on more irregular or informal forms of employment are put at a disadvantage (UNDP, 1999: 62). Herein, there is no legislative framework for older people who are not recipients of pension or social assistance.5 In the international legislation and EU these older people are entitled to social pensions regulated within special Laws on Social Pensions (MTSP, 2008d: 16).

According to Gerovska-Mitev (2008:95) the emergence of the private sector in pension insurance in principle was supposed to improve the possibilities for better and more secure old age pensions. However, the compulsory private pension pillar is equally risky, both for the individual and for the society, especially due to: a) high administrative costs

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4 In 1992 average pension was 79% of the average salary, while in 2007 only 55,5% of the average salary. With the governmental intervention in 2008 average pension was slightly increased to 57.2% of the average salary (MTSP, 2008a: 22).

5 Recent research on social exclusion targeting a representative sample of 1.339 older people, showed that 31.9% aged 64+ are not pension beneficiaries. Majority of them are women or belong to ethnic groups Roma, followed by Turks and Albanians, and with lowest educational attainments (Bornarova, Gerovska-Mitev, 2009: 15). Despite general and official estimations about the high coverage of the pension system, according to EC experts, more than 70,000 (or 31.1%) people above the age of 65 are not covered with pension benefit (European Commission, 2007: 122).
charged by pension companies, amounting to 7.9% from the contributions paid by the recipients; 6 b) extensive (inadequately projected) flow of transfers from the first to the second pension pillar that resulted in significant increase in transition costs for this pension reform, which would be again a burden for all tax payers in the country; 7 c) insufficiently developed financial instruments on the domestic markets where the pension fund could make investments. 8

A future challenge for the sustainability of the pension system is the evasion of contributions due to rising number of pensioners and constantly decreasing work force. The number of employees to 1 pension beneficiary shows continuous decrease: from 3 in 1991, 2.0 in 1995, 1.5 in 2000 and 1.3 in 2005 (European Commission, 2007: 128). Dependency ratio (number of employees per 1 pension beneficiary) in 2004, 2005 and 2006 was 1.3, 1.3 and 1.6 respectfully (MLSP, 2008d: 67). The dependency ratio in 2007 was 1.4:1 (Vucev, 2009: 266).

4. Policy Relative to Work Engagement of Pensioners

Policies for support of older workers on the labour market, keeping older workers employed for extended periods of time through flexible work practices, gradual retirement, age management on the work place, are lacking. In addition to disregarding the needs of older workers prior to the retirement, the Macedonian legislation is also restrictive in terms of the work engagement of pensioners after retirement.

Since June 2006 until January 2009, pension beneficiaries could be part of the insurance system based on reestablished work relations or performing working activities, and could receive part of the pension at the same time (in amount of 30%, 50% and 70% of the pension level depending on the type of work engagement: full working hours or shortened - 4 or less working hours). For this work engagement a contribution for pension and disability insurance was paid on a higher basis than for the rest of the employees. With the changes and amendments of the Law on Pension and Disability Insurance (Official Gazette 161/08) applied as of 1st of January 2009, this entitlement was abolished. With these changes the payment of pension is ceased for those pensioners who had entered in a work relation or perform independent working activities in Macedonia or abroad. For pension beneficiaries who have at least one year of contribution period after effectuation of the pension right, a new possibility was introduced for calculation of the pension level on the basis of pension length and wages. This enabled re-determination of the pension amount in cases of re-established work relation (recognition of this period in the pension service).

This Law practically prevents pension beneficiaries to provide for additional income by work and is not well-matched with the promotion of the active ageing concept and quality of life in old age. International experiences speak of Laws for Pensioners’ Employment that provide for legal income from working activities of pensioners and subsequently contribute to the increase in their living standard (MTSP, 2008d: 16).

The legislative changes prohibiting and demotivating work in old age were subject of critics. There were some statements by older people criticizing this move of the government in the media, but more organised reaction by the older people organisations was missing. This is due to the lack of strong, powerful and influential older people organisations that would represent them and advocate for their rights, needs and interests. The current government made several “smart” but rather populist moves to gain the affection of the retired persons given their significance as electorate, such as: increase in pensions, free of charge spa rehabilitation and public transport on Fridays. However, for these and all the other measures that affect and concern their lives, older people have not been more substantially neither consulted nor involved in policy-making (Bornarova, 2010: 5). In this respect Vucev points out that all the actors directly involved with the pension system should increasingly participate in decision-making through direct social dialogue. This trend in Macedonia should be more visible and those who lack access to pension system should be incorporated (Vucev, 2009: 277-278).

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6 Comparatively, the administrative charges in Macedonia are high (i.e. Croatia up to 0.8%, in Hungary 5-6%) (European Commission, 2007: 13).
7 There was an increase of the initially planned transitional costs (2.2% from the GDP in case of 86,000 switchers i.e. 25% of the insured persons). As the numbers of switchers in the second pillar doubled the expectations, it implies that the transitional costs will also double, peaking to 4.5% from the GDP in 2025-2030 (European Commission, 2007: 13).
8 The currently low economic potential of the country, lack of foreign direct investments, the high rate of unemployment, as well as risky geographical surrounding, make projected gains from the investments of the funds in the second pillar questionable. At the moment, bank deposits are almost the only available financial asset.
5. The latest changes of pension system legislation

Considering that the process of the reform caused several changes and amendments to the Law on Pension and Disability Insurance and on the other hand the implementation of the second pillar led to changes in the relevant laws, there was an evident need to adopt a new Law that will clearly define the rights from the first and second pillar. Also, the new business processes, particularly on personal evidence, caused the need to establish an integrated system of legal regulation of the data for contributors and beneficiaries of pension and disability insurance rights. This imposed the need to incorporate the provisions of personal evidence of the contributors and the beneficiaries in the new Law on Pension and Disability Insurance.

Thus in 2012 the Macedonian Parliament adopted a new Law on Pension and Disability Insurance, which follows on the previously planned reforms on the established three pillar pension system. The first and second pillar remain compulsory and are based on two components: solidarity characteristic for the first pillar and funded component associated with the second pillar.

The Law passed in 2012 has no specific news and as rights on pension and disability insurance once again determines:
- The right to retirement;
- Disability pension;
- The right to vocational rehabilitation and appropriate allowances;
- The right to family pension;
- Right to compensation for physical damage, and
- Right on minimal pension.

Regarding the right of retirement there are no changes in the terms and conditions for its acquisition. The old-age pension is acquired by age of 64 years (men) or 62 years (women) with minimum 15 years of service. The Law only reduces the age limit of the insured who work in jobs placements where service is calculated with increased length.

Unlike the previous solution where the disability was defined as a general or professional inability to work, now the rights on the basis of disability is also determined on the basis of the percentage of disability. Namely, this article defines disability as final and lasting changes in health status of the insured person, changes which can be altered in terms of re-establishing the former working abilities. Accordingly, an essential component in the assessment of disability is the final and lasting status of the specified condition, which significantly differs from temporary incapacity for work. It is significant that the Law provides deployment on another job placement or provision of part-time work for the insured, in cases in which reduction of working capacity is determined by 50% in accordance to the general labor regulations.

The new law regulates the procedure of determining the pension base and the percentage of determining disability pension which remained unchanged, compared to the previous solutions.

Having in mind that the second pillar has been implemented since 2006 there are no significant changes except for the additional updates in line with the existing system of the second pillar.

6. Challenges for the future

In the Republic of Macedonia the pension and disability insurance are governed by set of the following laws: the Law on Pension and Disability Insurance, Law on Mandatory Fully Funded Pension Insurance, Law on Voluntary Fully Funded Pension Insurance and the Law on Payment of Pensions and Pension benefits from the Fully Funded Pension Insurance. Given that the data on contributors and beneficiaries of pension and disability insurance is an important part of the pension system this area is regulated by the Law on Personal Registry of Contributors and Beneficiaries of Rights from Pension and Disability Insurance.

Macedonian pension system was based on PASYG principle. Due to the fears for unsustainable of the system as a result of demographic changes in Macedonia the Government decided to introduce radical systemic changes in the pension and disability insurance. Over the years a number of paradigmatic and parametric reforms were introduced. The most significant of them is the structural reform of introducing a three pillar pension system, implemented since January 2006. This is considered as one of the most an important segment of the social policy changes in the country. Despite the reasons used to justify the reform according to some expert opinions the reformed pension system is facing challenges in a long run.

It is expected that the reforms in the pension system will have an indirect influence on social stratification of elderly person. Macedonia as a country that has accepted the three-pillar system might experience a big gap in its social stratification in the future due to differences in the accumulated amounts and the number of pillars (some might never
invest in the third pillar) where individuals have invested their savings. But social stratification should not be the only concern related to this change in the social protection system imposed by World Bank. Another alarming dimension is the inability to predict fluctuations in the market where savings from the second and third pillar are invested. Currently, their instability is connected to the global economic crises. This represents a risk for smaller countries, such as Macedonia, because, unlike the others, they do not have the capacity to protect their investments outside their domestic borders. This instability of pension savings will most likely jeopardize the once guaranteed security connected to the risk of old age and could violate the principle of social justice. Apart from demographic reasons, the pension reforms could be a reason for the unnecessary involvement of social policy with this age group. Finally, it should also be noted that the concept of the three-pillar system implies a direct attack on the intergenerational social solidarity that has been nurtured for over a century (Donevska, Trbojevik, 2009).

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Accounting and Auditing of Intellectual Property in Albania.

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Abstract

Intellectual property is a primary source of value added growth and earning power for the business. In the modern business world there is a general shifting from physical assets towards intellectual property assets such as patents, trademarks, industrial designs, trade secrets, copyrights etc. As the importance and value of these assets for the business is increasing the accountants should take them in consideration more seriously. We will briefly list the accounting and auditing methods used in developed countries for the intellectual property together with the gaps and challenges that the adoption of these standards represent for the accountants and managers. The comparison of these standards and methods with the development made in Albania in this field will be in our main focus. The accounting and auditing practices and challenges of intellectual property for the small medium enterprises in Albania will be another important topic related to the dominant role that SMEs has in the Albanian economy. The research aim is to reveal how the Albanian certified accountants and audits are using the IAS and IFRS for the intellectual property and the difficulties they face to adopt and use these standards in their financial reporting. The methodology used in the preparation of this paper will be that of the utilizing the foreign and national literature, and the utilization of the questionnaires and interviews with the certified accountants and audits as well as the finance departments of selected businesses in Albania.

Keywords: Intellectual property, IAS, financial reporting, SME, certified accountants

1. Introduction

In a knowledge based economy, where the capital intense industries are shifting towards knowledge based industries, the intellectual property such as patents, trademarks, trade secrets etc. are becoming the primary, key element towards sustainable earning and competition power towards other companies. The company’s competitive advantages lies therefore largely in its capacity to manage these strategic resources.

The management of assets cannot be done if it is not measured or cannot be valued. Intellectual property makes knowledge functional and managerially controllable, in this sense it may be viewed as “knowledge in action” or a right in an abstract object.1

The measurement of the intellectual property, the abstract objects, has become the new challenge of the accountants. The accounting profession itself is aware of the necessity to reflect the intellectual property in the companies’ financial statements.

The main difficulties in intellectual property reporting (IP) is determining the value of this abstract object. Since accounting follows the paradigm of recording business items at their price in a commercial transaction, only IP that is licensed or sold can be reflected on the balance sheet. After the recognition phase the IP will be revalued accordingly, to its market value or fair value. Given the inherent multiple challenges in accurately determining the value of IP, coupled with the volatility of the value of some IP, it is no wonder that the accounting profession (and the market) fears that the reporting of a firm’s IP may be considered as too subjective and risky.2

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2 Getting a Grip on Accounting and Intellectual Property. By Roya Ghafele, Associate Economic Officer, Intellectual Property and Economic Development Department, WIPO
The IP accounting and audit issues and challenges faced by the accountants are not much different in Albania. This paper aims to deal with (im)possibility of applying the IAS regarding the IP and the challenges that the Albanian accountants face.

2. Accounting Issues of Intellectual Property

Before the introduction of IAS 38, goodwill was the only word that represented the intangible assets. Goodwill was defined as the price that the buyer is ready to pay in excess of the value of a company’s tangible assets. The concept of goodwill is very general, because every higher value above the tangible assets value was classified as goodwill.

IAS 38 revised the goodwill treatment and specified the IP as an intangible asset when it separable, capable of being separated or divided from entity and sold, transferred, licensed or exchanged, either individually or together with a related contract assets or liability.

The intangible asset, according to the IAS 38 shall be recognized if, and only if:

- They can be separately identified
- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and
- The cost of the asset can be measured reliably.

In practice it is difficult to recognize a concrete, specified IP, because the expected future economic benefits may not be linked to only one intangible, but to more than one intangible asset that the company may have, and it is very difficult, most of time impossible to attribute the right excess future economic benefits to each intangible asset separately.

IAS 38, mention the value and recognition of the IP only in an open market transaction, or business combination at its fair value, leaving the internally developed IP unrecognized. According to IAS 38 internally generated intangible assets shall not be recognized as an asset. The expenses made at research state definitely will be recognized as expense when it has occurred, and it can be recognized in the development stage, if and only if certain criteria like:

- The ability to measure reliably the expenditure attributable to the intangible asset during its development
- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Control (power to obtain benefits from the asset)
- Future economic benefits (ability to obtain benefits from assets)

IAS 38 treats the potential same IP in different approach when the IP is acquired and by a different approach or it cannot be recognized at all, when it is internally generated. Internal generated IP can be a major relevance to a firm, even if it is not involved directly in a business transaction.

This may lead to serious confusion. Thus, a company which decides to sell or license internally generated IP appears to create profits virtually out of nothing, because the IP that generated these profits did not appear on its balance sheet. To outsiders, this might look like magic, whereas it is nothing but the expression of unfortunately stated information.

Examples where the balance sheets of the IP intense companies are distorted because this gap are not few: Gillette which value mainly relies on its trademark, had a book value of 3 billion USD, but it was bought by 59 billion USD by Procter & Gamble which makes up for a gap in the market to book value of 56 billion USD that have never reported anywhere.

Coca Cola keeps its trade secret over its syrup since 1891. Paired with successful trademark management the company’s trade secret makes up for most of its success since the 19th century and yet still it cannot report its trade secret value in it financial tables because it is an internally generated IP and the revenue streams cannot be directly related to the syrup unique taste.

From this point of view there is a gap in IFRS and are not well equipped to deal with the IP. This approach is not only by the IFRS but also from the US GAAP, FAS 141 and FAS 142.

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4 Example given by the FASB (Financial Accounting Standards Board) at the United Nations Department of Economic and Social Affairs Conference, July 12-13 2006
For knowledge based SMEs, the lack of reporting in their financial tables the value of their IP, or the investments that they make to create an IP, can qualify these enterprises as high risky, from the financial institutions and consequently to raise the cost of the funding. At the stock exchange sectors that strongly depend on IP like high technology or pharmaceuticals are considered more risky, because of inadequate capital and market communications about their IP value, since accounting is not tailored to IP; investors are provided with little or inadequate information on a firm’s IP assets. As a consequence it is difficult for a potential investor to adequately assess the risks and benefits of investments. The information vacuum on IP distorts widely, commonly used ratios such as the price / earnings ratio, price /sales ratio and market/book value. These ratios are calculated on the basis of the data provided in the balance sheet, and since IP is missing in the financial reports, the ratios do not reflect the real performance of the business.  

The impairment of the in-definitive useful life of IP is another topic that creates discussion among accounting professionals.

According to the IAS38 the depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. The useful life of the intangible asset has to be determined according to respective documents and contracts, or for the time that the business entity expects future economic benefits to be generated from the intangible assets.

The in-definitive useful life intangible assets shall not be amortized, but the entity is required to test its in-definitive useful life for impairment, according to IAS 36 “Impairment of assets”, by comparing its recoverable amount with its carrying amount. In this group of assets are classified assets like software programs, brand names etc. These intangible assets cannot be amortized, but they will periodically be valued for impairment. The existences of intangible assets with in-definitive useful life are considered to be very risky from the entity’s management because of the possible unpredicted, drastic fluctuations that their value might have. The possible off-impairment charges of these assets have direct, negative impact on the entity’s income table, resulting to represent a negative performance for the management.

Valuation of the intellectual property is another challenge, yet to be accomplished by IFRS. The methods described by IAS 38 to value the IP are:

- Cost Model: After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.
- Revaluation Model: After initial recognition an intangible assets shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortization and any subsequent accumulated impairment losses, and for revaluation purposes, fair value shall be measured by reference to an active market

The cost model is not an adequate model as it has no connection to future benefits that an IP can provide to the entity, and does not necessarily reflect the real actual value of the IP. A patent or trademark might have been inexpensive to create, but its present value can have a significant value, that cannot be reflected in the financial statements. By using this model the fair value of the IP is not presented in the financial tables and thus not revealing the value of the entity.

The revaluation model is generated to eliminate the disadvantages of the cost model, by giving more updated information regarding the value of the IP by its fair value, measured by reference to an active market. The challenges with the revaluation model of the IP are related to the active market. An active market is a market in which all the following conditions exist:

- The items traded in the market are homogeneous;
- Willing buyers and sellers can normally be found at any time; and
- Prices are available to the public.

The IP assets are from its nature unique in their nature and differ from each other. For example the patents, trade secrets, trademarks etc. are very unique in their nature and it is very difficult to speak for homogeneous assets. The real prices of the IP assets hardly are available to the public because the difficulty that have the accountants to determine it real value, bringing in our attention here that only the acquired IP in a market transaction is valued, whereas the internally generated IP is not yet recognized by IFRS.

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The accounting of IP is a huge challenge for the accountants and managers. More efforts should be done to find more accurate model in evaluation of IP property, because as one of the oldest management cliché says “You cannot manage what you cannot measure”.

3. Auditing Challenges of the Intellectual Property

A company cannot be properly managed if the management cannot identify and measure properly the entity’s intangible assets, and cannot understand its options to exploit them. The existence of a protected intangible asset in an entity can raise the entity’s value, because the entity is more likely to be profitable in the future.

The focus of an IP audit is to identify and record the IP that an economic entity has acquired or developed in-house, and determine the extent of the business’ ownership of those assets. The key audit objectives can be summarized as follows:

1- Identify and record existing and hidden IP acquired or developed by the business.
2- Determine the origin and legal ownership of the identified IP.
3- Identify and evaluate the adequacy of
   - Strategic integration of IP management within business overall strategy
   - Qualitative valuation which describes the benefits that the IP asset brings to the business

The stage one, defines the scope of the audit and focuses upon the identification of IP assets internally developed and acquired, and seeks to uncover key areas of risk or concern from an IP governance perspective.

The stage two, involves a substantive audit for each IP assets separately, concerning following issues:
- What has been developed or acquired
- Who created or developed the IP
- Who owns the IP? (is sole or joint ownership)
- Are any restrictions for the IP use?
- Is this IP protected and is this type of protection adequate?
- Reviewing the legal agreements of IP protection, including licenses, confidentiality agreements, contractors, joint ventures etc.
- What are the costs of protection and to what extend can this IP be commercialized?

The stage three involves the analysis and reporting of the outcomes of stages 1 and 2, including recommendations concerning the effective management of IP such as the right to use these assets, defects in IP ownership protection, the current and future profitability for the business through proper management, exploitation of commercialization etc.

The audit of a business entity is a legal and accounting challenge for the auditors and for the business entity an extra costs, that not every business entity can effort. In most countries Small and Medium Enterprises, SME, represent 80-90% of the enterprises worldwide. SMEs are often the driving force behind a large number of innovations and contribute to the growth of the national economy through employment creation, productive investments and value-added exports.

Most of SME’s in developing countries, like Albania, SME’s do not use or do not get the best out of their use of their IP. This is mostly related either by underestimating the value that IP can have for the entity or by non affording the proper management costs of IP.

3.1 Challenges of IP accounting and audit in albania

Albania has a relatively young experience in adoption of the IFRS. To adapt the domestic legislation in line with the needs of development and harmonization with EU directives, The Albanian council of Accountants started the work for adoption and harmonization of the National Accounting Standards.

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9 Sharyn Ch’ang and Marina Yastreboff, Intellectual Property Auditing: A Road to Riches, 2001
10 http://www.wipo.int/sme/en/
The National Accounting standards (NAS) in adoption to IFRS were first introduced and published in September 2006 and they started to be officially used in January 1st 2008.

NAS are in total harmonization with IFRS and concretely the Intangible assets (IAS 38) is treated in NAS 5 “Tangible and Intangible Assets” and NAS 9 “Business Combination”.

Albania is a developing country where its economy is based mostly on SME and given the significant role of SME’s in the national economy in terms of their sizeable contribution to GDP, employment generation and export performance the government seek to encourage the creations and development of these businesses.

Government policy consistently sought to encourage innovation among SMEs, to resist the fast-changing market conditions of the intense global market competition.

In Albania the innovations by SME, consist of minor adoptions to existing products and are mainly of informal nature. The main IP generated by these businesses are industrial designs, trademarks, business location, trade secrets and copyright.\textsuperscript{11}

Although the increasing number of applications to protect an IP, from the SMEs in Albania a very limited number of entities profits from the potential or actual benefits of their IP. Main reasons for these entities not to recognize and manage their IP are as follows:

- **Economical Informality**: Most of the SME business are focused to minimize taxation by hiding some of their tangible assets too, and try to declare a lower revenue stream. For these category of entities the main goal is to declare the lowest possible assets value and sales revenue to avoid as much as they can the tax obligations. In this way they do not profit from exploiting in long term, from their tangible and intangible assets to expand their business and to increase their borrowing capacities from banks\textsuperscript{12}.

- **Limited knowledge**: Another category of these entities do not profit from their IP, because they lack the information of the existence of the IP administrative offices where they can protect their IP and the lack of qualified accountants experienced with the IP treatment.

- **Lack of business strategy**: Many business owners or management are not in knowledge of the benefits that the proper management and reporting of their IP, in their financial tables, in long run, can affect positively their business.

- **Finding the system complex, inefficient and expensive**: There are a considerable number of entities that consider the process of registering and holding an IP protected a complex action that takes more time and money than they can afford.\textsuperscript{13}

- **Lack of experienced and qualified accountants and managers**: Generally the SME’s lack of qualified administrative personnel that can manage their respective IP, either in the legal or accounting approach.

4. **Analysis of the Survey**

The survey is conducted mainly to the certified accountants and audits, finance departments and management of the entities. Except the interviewed targets, some individuals were contacted via e-mail or telephone. Their responding rate was relatively high due to the efforts made to receive feedback. The interviewed individuals are asked several questions and below we present the summarized results of their opinions.

1- Asked about their experiences regarding the management and accounting of IP, most of them responded that they have theoretical information about the topic but have not practical experiences. Few individuals from the target group responded positively, here mentioning that most of their experience was in management perspective (registration of the IP in the related offices) and few of the interviewed individuals had experience with the accounting and reporting issues of IP.

2- Asked about if the reporting of the IP on the financial statements of the entities will affect positively the entities performance, we observed that most of the interviewed individuals support positively the idea of reporting the IP in the big companies, and are skeptic for the positive effects that the IP reporting for the SMEs.

- The supporters of IP accounting reporting, are supporting the idea that the IP bookkeeping will affect positively in entities revenues, earning power.

\textsuperscript{11} Buletini informativ i aktivitetit te zyres Shqiptare per te drejtat e autorit, maj 2011
\textsuperscript{12} Buletini i pronesise Intelektual, Drejtoria e perqithshme patentave dhe markave shtator, 2011
\textsuperscript{13} http://www.alpto.gov.al/pdf/raporti_anglisht.pdf
- For the skeptics the consequences of reporting of IP in SMEs financial statements would be a) increase of tax payment, b) complications of book keeping for these entities.

3- Asked about the methods they use for the IP valuation, most of them just register the IP according to the cost model, with the purchasing price and are not involved in the processes of revaluations because it is almost impossible to speak for an active market of intangibles in Albania, according to the directives of IAS 38 or NAS 5.

4- Asked for the possibilities that the Albanian accountant have to properly manage and report an IP effectively, most of the interviewed individuals think that they need more information and training about the IP issues, as the topic is relatively new topic in Albania and, furthermore, they do not have support from the tax officers and other state employers in this issues and a more appropriate staff training is needed to a larger target group, including the third parties.

5. Main Findings and Conclusions

The inclusion of IP in financial and accounting statements of entities is an emerging challenge for the accountants and managers of the new, knowledge based economy. There are yet, issues that need to have more attention and to be clear, such as the non recognition of the internally developed IP, the issues of revaluation that is still very sensitive due to the problems that it can produce by implying sharp fluctuations in the balance sheet and earnings rations indicators. These are some of the difficulties that financial and accounting experts are not able to achieve consensus for the proper registration and valuation of IP in the entities financial statements.

Yet despite the difficulties of IP reporting, in the new knowledge based economy, the proper reporting of the IP is a must that have to be achieved.

In this aspect even the developing countries like Albania, that have adopted the IFRS, are in progress to proper manage the IP issues by facing the gaps that IFRS leave in this aspect and also to meet the challenges that the specific Albanian economy represent.

We find in this study and with the results of the survey that, although the challenges that developed countries have in IP reporting, Albania has its specific challenges in IP reporting such as:

- Challenges of IP management from the SMEs due to several factors explained above, such as, lack of knowledge, qualified personal, finding of the system complex and expensive etc.
- The impact that the informal economy has in the IP reporting.
- The impact that a total missing active market for the intangibles have on the IP reporting.
- The lack of qualifications of accountant and managers in application of IP related accounting standards.
- The lack of the knowledge of IP issues by third parties such as tax officers, government institutions and lack of sensibility from the people for the IP related issues.

To conclude, based in our study and the results of the survey, our recommendations in improving the IP reporting in Albania would be:

1- The undertaking of the institutional measures aiming to strengthening financial government institutions, especially customs management and tax administration to fight more efficiently the informal economy. The reduce of the informality will encourage SMEs but not only them to report, and not hide the transactions and the reporting of the IP. This can lead in the beginning of the development of an active market for the intangibles.

2- More efforts need to be undertaken by Albanian IP Directories to make the business owners aware of the benefits that they can profit by properly managing their IP assets and to increase the sensibility of the people in the IP rights.

3- The Albanian Certified Accountants Council in collaboration with Ministry of Finance, should training the certified accountants and audits as well as the tax and administration officers in IP accounting standards and management issues.

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System-Functional Model of Personality Traits

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Abstract

The article presents the theoretical basis and the essence of the System-Functional Model of the Personality Traits. This Model is based on the major theoretical propositions and constructs formulated in Russian psychology. The System-Functional Model of the organization of the personality traits, including two subsystems (motivational-semantic and regulatory-dynamic), eight components and sixteen variables which has been realized in the complex researches of sociability, persistence, inquisitiveness, self-organization (orderliness), responsibility, initiative, diligence, confidence, aggressiveness in various age, gender, professional, ethnic groups is described in detail. The system-functional model of the organization of the personality traits has been realized in the complex studies of sociability, persistence, inquisitiveness, self-organization (orderliness), responsibility, initiative, diligence, confidence, aggressiveness in various age, gender, professional, ethnic groups. This model has been applied by the Russian scientists in more than fifty Ph.D. theses. The program of systematic studying of the personality traits is considered. The special attention is given to the comparative research of personality traits within the framework of the system-functional approach that gives the possibility to conduct the most complex investigation of the individual distinctions between the people, which meets the requirements of the education, vocational guidance, psychological consultation and correction. The examples of concrete comparative empirical research are submitted and their basic results are analyzed.

Keywords: System-Functional Model, system-functional approach, personality traits, comparative research, system diagnostics, psychology of personality and individuality.

1. Introduction

The integral, system-functional approach to studying the personality and individuality (Krupnov, 2006-2009) is based on the major theoretical propositions formulated in Russian psychology: about the continuity of the dynamic, semantic and productive aspects of mental activity (Brushilinsky, 1978; Nebylitsyn, 1976; Rubenstein, 1973, etc.), about the unity of the personal and individual formations of the subject (Ananyev, 1980; Lomov, 1984; Merlin, 1996, etc.), about the system nature of the attitudes of the personality (Ananyev, 1980; Abulkhanova-Slavskaya, 1991; Bodalev, 1988; Myasischev, 1960; etc.).

In due time B.G. Ananyev pointed out, that separate properties of the personality and the character traits include not only certain subject attitudes, but also the ways of their realization, motives, emotional, intellectual and productive characteristics (Ananyev, 1980). Specifying on the system nature of the properties of the personality and character traits, S.L. Rubinstein remarked, that they represent an alloy of views, feelings, promptings of the acting subject in unity and interpenetration with the objective course and the results of his activity (Rubinstein, 1973). A.A. Bodalev emphasizes, that the property of the personality acts as a specific integration of more individual attitudes to the various events of the surrounding environment and inherently represents the unity of knowledge, experience and behaviour (Bodalev, 1988).

As one of the all-personality continuums describing the integral features of human behaviour, V.D. Nebylitsyn singled out the general mental activity of the individual which in this or that kind is contained in various personal formations: temperament, character, abilities: “The concept of the general activity unites the group of the personal qualities causing the internal need, the tendency of the individual for the effective development of the external environment, for self-actualization concerning the external world. Such a need can be realized either in an intellectual, or in kinetic (including speech developing), or in the social (communication) aspect, and according to it several kinds of general activity can be singled out” (Nebylitsyn, 1976, p. 251). “The degrees of activities are distributed from
sluggishness, inertness and passive contemplation on the one hand up to the maximum degrees of energy, powerful swiftness of actions and constant rise - on the other hand. Thus the direction, quality and the level of realization of these tendencies are defined by the other (“substantial”) properties of the personality – its intellectual and characterological properties, the whole complex of its attitudes and motives” (Nebylitsyn, 1976; p. 178).

Relying on the ideas stated by V.D. Nebylitsyn, A.I. Krupnov suggested the model of the integrally-functional analysis of the activity of a person (Krupnov, 1983, 1984). Thus in the structure of the integral activity three interconnected components: motivational-semantic, operational-dynamic and productive-resulting are allocated. “Hence, the complete analysis of the personality’s activity should include: firstly, the characteristic of motivation, interests, orientation, etc., i.e. its substantial, functional-semantic part; secondly, the formal-dynamic aspect, i.e. the characteristic of the process of interaction, its volume, intensity, etc.; thirdly, the characteristic of the result of the activity and interaction as a whole” (Krupnov, 1983; p. 15). In this structure the essence of the activity as the process, “providing the continuous interaction with the world” (Krupnov, 1984) is precisely shown. Later on, proceeding from such an understanding of the structure of activity, the system-functional model of the analysis of the properties of personality considered as the characteristics of the all-personality activity in various spheres, was devised by A.I. Krupnov.

Originally the structure of the personality properties included the four basic components. Then the structure of the components was supplemented, and the structure was transformed into a six-component model of the structure of personality properties. It was supposed, that each property represented an alloy of the individual and personal characteristics functionally interconnected. The motivational, cognitive and productive components were considered as the personal characteristics. The so-called individual attributes, to the greater degree determined the operationally-dynamic, emotionally-expressive and regulatory components. Each component contained the two variables, as an additional variable, the difficulties preventing the realization of a certain personal property were considered. In 1999 the suggested model was supplemented by two more components, and acquired its final form.

2. Methodology

According to the eight-component model of the analysis, the personality trait is studied as a complete and systematic formation. The two blocks are singled out in its structure: the motivational-meaningful, including the attitudinal-target, motivational, cognitive and productive components in its structure, and the regulatory-dynamic, containing the emotional, dynamic, regulatory, reflective-evaluative components of the personality trait. Each component contains two variables (table 1).

Table 1. The System-Functional Model of organization of the personality traits by A.I. Krupnov

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First of all, the substantial-semantic subsystem provides the selection and priority of the certain incentives (sociocentric or egocentric), the depth and accuracy of the semantic values (profound or superficial awareness), the sphere of the character traits application in the subject kinds of activity (objectness) or in self-expression, self-development of the
subject (subjectness). Thus the leading strategy of functioning of the given subsystem is the subject’s choice of the dominating meanings, orientations and promptings by the principle “both this and that, but something to a greater degree”.

The regulatory-dynamic subsystem represents the unity of the dynamic, emotional and regulatory variables. Thus the majority of them consist of bipolar, internally opposite attributes; therefore, the variables of the regulatory-dynamic subsystem are conventionally divided into “harmonious” and “non-harmonious”. The basic function of this subsystem, first of all, is connected with the maintenance of regulatory-energetic basis of personality traits.

At the same time between the specified subsystems of personality traits, there exist specific relations depending on its actual/certain traits. This fact gives the grounds to assert that the indissoluble unity of these subsystems defines the specific structure and the nature of the various personality traits which ensure both the active and the adaptive functions in the communication and the activity of the subject.

Let’s consider the components and variables of the system-functional model in more detail.

Assessing the variable socially significant purposes of the attitudinal-target component we should take into account the specific goals, attitudes, intentions and interests of public character, at which the investigated personality traits are aimed, and when assessing the variable personally significant purposes the attitudes, intentions and interests of personal character should be considered.

The motivational component includes the variables sociocentricity (incentive connected with the sense of duty, the aspiration to realize the intentions of other people, to help them, to deserve respect, to master a trade better, etc.) and egocentricity (incentive caused by the desire to realize the opportunities and abilities, the aspiration to be independent, to improve one’s material welfare, etc.).

The cognitive component contains the variables of profound awareness (the subject’s deep and profound ideas about the personality trait, awareness, the knowledge of its basic essential attributes, etc.) and superficial awareness (the subject possessing the general information on the certain functions of the given trait, its manifestations in activity which can have a nonspecific character and be inherent).

The variable of objectness of the productive component characterizes the results achieved by the person with the help of a certain personality trait in studying, work, relations with other people, and subjectness characterizes the results of solving personal problems, self-education, creating well-being, etc.

The variable of ergicity (energy) of the dynamic component reflects a variety of methods and ways of the realization of the personality traits: the force, stability and constancy of the aspirations for the realization of the certain goals, attitudes, intentions and interests of personal character should be considered.

The emotional component includes the variables: sthenicity (domination of the emotions of pleasure, pride, optimism, an anticipation of a positive outcome of intentions, etc.) and asthenicity (domination of anxiety, pessimism, fear, apathy, etc. connected with the manifestation of a certain character trait).

The regulatory component is characterized by the activity (internality) or passivity (externality) of the self-regulation of personality traits. The expressiveness of the internality variable testifies to the person’s conviction, that all the success or failure in business depends only on him, his aspirations to achieve everything by himself and not to rely on circumstances or other people (an internal locus of control). The prevalence of the externality variable tells about the person’s trust to chance, destiny, luck; his disbelief in his own powers and abilities (an external locus of control).

The reflective-evaluative component includes the variable of operational difficulties (informedness of the intellectual, communicative or conative habits and skills, etc.) and personal difficulties (a low self-esteem, anxiety, lack of self-confidence, etc.).

On the basis of the system-functional model A. Kurpnov developed personality inventories for the diagnosis and measurement of personality traits (Krupnov, 2008).

3. Applied research based on the System-Functional Model

Within the framework of the given model the psychological peculiarities of the following personality traits have been investigated: sociability, persistence, inquisitiveness, responsibility, initiative, orderliness, confidence, diligence, aggressiveness. Relying upon the system-functional model the individual characteristics of the speech activity and success in foreign language acquisition are investigated (Kozhukhova, 2010; Krupnov, & Kozhukhova, 2012 etc.).

There has been offered and is realized the program of the systematic studying of each of the above mentioned personality traits, including the following directions of the research (Krupnov, 2007):

- the psychological structure of the property;
The separate direction of research which has actively developed in the recent years is the research, in which several personality traits are considered in the comparative aspect. In our opinion such complex research allows to investigate the individual distinctions between the people more fully, which meets the requirements of the education, vocational guidance, psychological consultation and correction, therefore we shall dwell on the characteristics of this group of research in detail (Krupnov, 2009; Novikova, 2003; 2006; Yershova et al, 2012).

The comparative research conducted within the framework of the system-functional approach, may be conventionally divided into three groups: 1) the comparison of several personality traits between themselves, each of which is considered according to the system-functional concept; 2) the comparison of one trait examined within the framework of the system-functional concept, with the certain personality traits, analyzed and diagnosed with the help of other methodological approaches (for example, self-actualization, character accentuation, trust to people, etc.); 3) the comparison of several personality traits within the framework of the system-functional approach both between themselves, and with other personality traits or its manifestations in activity.

The main purpose of the research attributed by us to the first group, is revealing the similarity and specificity in the realization of the various personality properties examined within the framework of the system-functional approach (as a rule, the quantity, correlation, factorial indicators, and also, in some cases, the cluster structures are analyzed).

Within the framework of the eight-component model N.V. Kargina has carried out a comparative research of inquisitiveness, persistence and sociability in students (Kargina, 2005) with the purpose of revealing the common and specific in the psychological structures of the personality traits, representing the different spheres of the subject's relations – cognitive, conative and communicative. The comparative analysis of the quantitative characteristics showed, that, as a whole, average indices of the three analyzed traits are very close between themselves. It is only possible to note the prevalence (in comparison with the two other features) the ergicity, sthenicity and, especially, asthenicity of persistence; the prevalence of the personally significant purposes and internality of inquisitiveness; smaller expressiveness of the egocentricity of sociability. These distinctions are, most likely, connected with the psychological nature of the given qualities. The realization of persistence as a conative quality, probably causes the emotional reactions most strongly (especially in case of failure conceived); sociability as a communicative quality, is equally determined by the sociocentric and egocentric motives; and the inquisitiveness according to the students’ conceptions, has internal regulation and personally significant purposes to the greatest degree.

In the correlation structures of inquisitiveness, persistence and sociability there has also been revealed the prevalence of similarity that is proved to be true by the results of the factorial analysis. In the factorial structures of the analyzed traits there were revealed two similar factors (“the factor of success” and “the factor of difficulties and problems”) and one specific factor (the factor of “activity” for inquisitiveness, of “self-regulation” for persistence and “instability” for sociability).

Eventually, D.A. Shlyakhta investigated the problem of the ratio of the individually-typical traits of sociability, persistence, inquisitiveness, which were examined as the manifestations of activity of the personality in the different spheres of living activity - communicative, conative, cognitive (Shlyakhta, 2009, etc.). The conducted analysis has allowed to single out for each of the investigated personality traits, the four main types of their realization, the stability of whose basic characteristics is proved both on the different samples of examinees, and in the different spheres of the subject’s relations:

- for the representatives of the instrumentally-semantic type (“active”) the maximal parameters of the majority of the motivatedly-semantic and instrumentally-harmonious variables, the minimal parameters of the main instrumentally-nonharmonious variables and difficulties are characteristic;
- for the representatives of the motivated-nonharminious type (“non-harmoniously active”) the high parameters of the basic motivationally-semantic variables, the maximal or close to the maximal parameters of the main instrumentally-nonharmonious variables and difficulties are characteristic;
- for the representatives of the poorly-motivated type (“passive”) - minimal or close to minimal the parameters of the majority of motivational-semantic and instrumental-harmonious variables, high parameters of difficulties are characteristic;
In the research which has been carried out by T.V. Nechepurenko (Novikova, Nechepurenko, 2007) there has been made a comparison of such features as sociability and aggression which belong to the communicative sphere, but at the same time they are opposed by their orientation.

The comparative analysis of the average indices of the variables of sociability and aggression has shown that they differ from each other significantly: the variables of the motivational, cognitive, productive components, and also the variable of internality of the regulatory component have more manifestation in sociability. The variable of externality and also the operational and personal difficulties are more expressed with aggression. These distinctions are most likely, connected to the socially-psychological nature of the studied character traits. Sociability as a socially approved trait, naturally, is more perceived and volitional. The manifestation and development of sociability in connection with the social reinforcement is more motivated. The big expectations of compensations in various spheres of the vital activities of the personality are connected with the demonstration of sociability, and the skillful use of this quality is closely connected to the “success” of the personality. The aggression in the social plan is more often estimated disapprovingly. Therefore its displays are more involuntary and are more often connected with different sort of difficulties and “failures”.

As a result of the factorial analysis for each feature the two-factorial structure has been received. The first factor of sociability includes a complex of motivationally-semantic and instrumentally-harmonious variables (“the factor of success”) which has also been described by other researchers. The second factor included asthenia, operational and personal difficulties with the negative significant weights; with positive significant weight – ergicity (“the factor of problems”). The first factor in the structure of aggression which has the main weight was singled out as the factor of “problems”. In the case of aggression the difficulty is connected not with the lack of energy, but with the inability to restrain from reacting affect, therefore this factor can also be named “the factor of emotional-reaction aggression”. The problems are caused not by the inability to find powers for maintaining contacts, but the inability to constrain the affective impulses, the uncontrollable propensity to react outwardly. The second factor of aggression includes sociocentrity and concreteness with positive significant weights and the egocentrity and subjectness (“the factor of instrumental aggression”).

Thus, there was vividly shown the specificity of the factorial structures of sociability and aggression, consisting in the opposing orientation of these traits, which is reflected in the distribution of the factorial loadings: the more loaded factor of sociability is the factor of “success”, and the most loaded factor of aggression is the factor of “problems”. Besides, the specificity of the psychological structures of the analyzed traits is manifested in the structures of the difficulty factors to a higher degree. The presence of difficulties in the communication is characterized by the lowered tone, and the problems related to aggression, are connected, first of all, with the propensity for the affective reaction in view of an excessive sensitivity to the real or to the alleged threats and insults.

To the second group of the complex research there belong the works on revealing the ratio of sociability with trust to people (Zhuravlyova, 2004), accentuations of the character (Kovalenko, 2007), attitudes towards the interpersonal interaction (Solonkina, 1996); initiative with creativity (Zharkova, 2011), self-actualization (Polskaya, 2005); inquisitiveness with creativity (Tskhay, 2000); diligence with the features of child-parental relations in high school students (Kameneva, 2005), etc.

One of the latest works conducted in the given aspect, is the research of the ratio of self-confidence of the employees of the commercial organizations with the level of their self-actualization, and also the parameters of the efficiency of the professional work (Zamalatdinova, 2011). The peculiarities of the ratio between the parameters of confidence and self-actualization of the employees of the commercial organizations which are most vividly shown in close communication with the instrumentally-style variables of confidence, with the basic scales of self-actualization have been established: the employees with the least amount of problems in the realization of confidence have as a whole a higher level of self-actualization. It is also shown, that the confidence and self-actualization are connected with the efficiency of the professional work of the employees of the commercial organizations, thus the most professional employees, as a rule, possess a higher level of self-actualization and practically do not have any problems and negative experiences in the realization of confidence. Besides the types of the realization of personal confidence of the commercial organizations employees, which are similar to the types described above on the key parameters, persistence, inquisitiveness have also been revealed in the research. A thorough analysis has shown that the maximum level of self-actualization and efficiency of the professional work is observed in the representatives of the selective and instrumentally-semantic types, and the minimal, in the representatives of the motivational-non-harmonic type.
The research we included in the third group, are the most complex as they unite the lines of the comparative analysis described by us in the first two groups.

In one of the first works of the above-mentioned trend on the basis of the six-component model, the research of the psychological manifestations of the individually-typical features of sociability, persistence and inquisitiveness in the texts as products of individual speech activity (Fomina, 2002) has been carried out.

With the use of the eight-component model there have been conducted the comparisons of persistence and initiative with the career orientations and the specificity of the educational activity of students (Polyanskaya, 2008); of sociability, aggression with the aggressive forms of behaviour in the cadets of military higher school (Isayeva, 2008); of sociability and confidence with the features of the socially-psychological adaptation of students in higher school (Akimova, 2010), etc.

In the given works the similarity in the factorial structures of the analyzed traits is confirmed. For the majority of the investigated qualities (sociability, persistence, inquisitiveness, initiative) “the factor of success” and “the factor of problems (difficulties)” are steadily singled out. The existence of the similar individually-typical variants of the realization of the various personal features (with the little variations in structures and in names) also proves to be true: instrumentally-semantic, selective, instrumentally-non-harmonic, external. It is convincingly shown, that the most perspective and practically significant direction of the complex researches within the framework of the system-functional approach is not only the comparison of the personality traits between themselves, but also with the other characteristics of the person and activity: the features of educational activity, the sociometrical status, career orientations, the efficiency of professional work, etc.

4. Conclusions

Thus, the potential and efficiency of the system-functional approach is connected to the fact that, firstly, it promotes solving the fundamental problem of overcoming the gap between the dynamic, semantic, productive and other characteristics while studying various mental formations and the other characteristics which are complete and systematic by their nature. Secondly, it gives an opportunity of studying the structure of personal features and internal mechanisms of the interaction of their various components. Thirdly, it creates the preconditions for the development of the scientifically proved technologies of developing and correcting various personal properties.

The model of the system-functional structure of the personality properties has become the basis of more than 50 dissertational researches and is used in higher schools and research institutes of different cities of Russia and abroad (Moscow, St Petersburg, Minsk, Yekaterinburg, Ryazan, Bryansk, Blysk, Togliatti, Tambov, Magnitogorsk, etc.). On the social and differential psychology department of the Peoples' Friendship University of Russia there is organized a scientific school based upon the system-functional analysis of personality properties and their displays in various kinds of activities, scientific researches, and the projects of the school were repeatedly supported by the Russian Foundation for the Humanities.

References


Strengthening the Political Rights of the EU Citizens in the Framework of the European Citizens’ Initiative: Brief Analyse of Certain Citizens’ Initiatives

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Abstract

Regulation (EU) No.211/16th February 2011 on the European Citizens’ Initiative (ECI), as one of the major innovations of the Treaty of Lisbon, represents the first supranational instrument of direct democracy that took effect on April 1, 2012, creating the direct legal link between the European Union citizens and the European institutions. Within the present paper we will try to analyse briefly certain citizens’ initiatives that have been already published on the official website of the European Commission where the online collection of a million signatures is still running, bearing in mind the important role of the citizens as “co-authors” of the law within the European decision-making process, without forgetting to make a short overview of the European Citizens’ Initiative instrument. Even though it is too early to give an opinion whether this new instrument will become or not a useful tool for citizens and their democratic participation into the European political life, from our point of view this participation will increase the responsibility of the citizens to be more active by submitting proposals that concern their current life in all the subject matters which are under the Commission’s legislative competence. The citizens’ efforts will be doubled by the EU institutions and the civil society organizations that can play a significant role in providing the infrastructure and assistance to the ECI organizers to ensure that the EU citizens are afforded to use their new right in the best conditions and without no obstacles in a more inclusive and democratic Europe.

Keywords: citizenship, Treaty of Lisbon, Regulation, political rights, right to initiative

1. General remarks

For a long time, the “political voice” of the European citizens was not taken into consideration because of various reasons (the society, the politicians, the economic and political situation etc.) which determined a serious disconnection between the citizens and the decision-making authorities at the level of the European Communities1. Because of that, the general perception was that within the Communities was “implemented” a democratic deficit and the citizens did not have the theoretical and practical tools to “fight” against this deficit.

In order to change this unjust situation and to give the opportunity for the European citizens to express themselves in a way or another, starting with 1970s after a debate led by the Heads of State and Government of the Member States of the European Communities regarding the development of the special rights given to the European citizens, debate which took place in 1974 in Paris (Petrescu, 2013), the European Commission drafted in 1975 a proposal aiming at a future development of the European Community Law from the political point of view, proposal considered to be ambitious to be put in practice in a short time, because its principle aim was to make an “complete assimilation with nationals as regards political rights [which was] desirable in the long term from the point of view of a [democratic] European [Community] (Shaw, 2007)”.

Despite of some initiatives and second European legislation drafted and adopted by the European Commission, the Council and the European Parliament, among which “Towards a Europe for Citizens2”, the 1976 Decision and Act concerning the election of the representatives of the European Parliament by direct universal suffrage by the citizens

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1 Presently, the European Union.
(Adam, 2007)\(^3\) and “The road to European citizenship” (Chalmers, Davies and Monti, 2007), “no consensus was reached [among the European leaders until] the 1992 Treaty of Maastricht (Adam, 2007)\(^4\). As it can be seen, the important improvement made by the 1976 documents was not accompanied until the Treaty of Maastricht by a consistent European legislation in the field of political rights because “at that time there was no real freedom of movement of voters in European elections (Adam, 2007)\(^5\).”

The few steps made between 1990s and middle of 2000s when the original treaties have been amended several times proved to be insufficient in order to realise an “complete assimilation” of nationals of other Member States with the nationals of the host state concerning the political rights, as it was foreseen by the European Commission, as long as the European citizens continued to have limited political rights, among which I can mention the right to vote in national or regional elections (Shaw, 2007) and to stand in elections in the Member States where they are residents. Therefore, I can say that the European citizens were still unable to participate effectively into the European political life.

Starting from this point and taking into account the relevant amendments brought in 2009 by the Treaty of Lisbon, which marks a reference moment in enhancing the democratic participation of the citizens in the European’s legislative process, in the following I will focus on analysing the efforts to strengthen the political rights of the citizens through the amendments brought to the primary and secondary European legislation, all culminating with the adoption of one of the most important European legal instruments, the Regulation (EU) no. 211/2011\(^6\) on the citizens’ initiative.

Finally, I will make a short presentation of few of the relevant citizens’ initiatives that have been already registered on the European Commission’s website starting with 1\(^{st}\) April 2012, as part of the active involvement of the citizens in the legislative process.

2. The right to initiative and the Regulation (EU) no.211/2011 on the citizens’ initiative

Before 1976 the participation of the citizens in the decision-making process of the former European Communities was quasi - inexistent because of the small number of the initiatives to regulate this participation. Starting with 1976 an important step has been taken when the Decision and Act on European elections by direct universal suffrage by citizens, have been adopted. For the first time we are talking about the democratic participation of the citizens (Petrescu, 2013) or the “participatory” democracy, as defined in doctrine (Schnapper, 1997), in the European political life.

Further improvements have been taken by modifying and amending the original treaties through the Treaty on European Union (1992)\(^5\) and the Treaty of Amsterdam (1999) where additional political rights\(^6\) (such as, the right to vote and the right to stand a candidate in the local and regional elections as well as for the European Parliament) have been granted to the European citizens.

Another significant moment in shaping the idea of a “citizens’ initiative” is represented by the paper “More democracy in Europe” issued in 2005 by the Democracy International, which is a network specialised on European democracy movements. The said document presented visionary ideas for that moment on the most important elements of the direct democracy (e.g. a direct involvement of the citizens in the legislative procedure; the methods to involve the citizens etc.), comprising in the same time “concrete measures for a citizen-based law-making procedure”.\(^7\)

In 2009, after a long and difficult process in recognising the political role of the citizens, the Treaty of Lisbon stipulated in art.10 par. 3 of TEU that “every citizen shall have the right to participate in the democratic life of the Union”, encouraging in the same time “the cross-border public debate about [the most relevant] EU policy issues (Gurmai, 2011)\(^8\)” which cover different fields, such as: economic, political, mass-media, education, etc. In other words, the citizens

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\(^3\) These documents were signed in Brussels on 20 September 1976 and entered into force on 1 July 1978 after its ratification by all the Member States.


\(^6\) By political rights we may understand a variety of such rights, namely: the right to vote; the right to be elected in the legislative bodies or other representative organs; the right to hold public offices, the right to petition etc. During the present paper we will talk about only the electoral rights: the right to vote and the right to be elected.


\(^8\) jeannmonnetchair.uab.cat/docs/poneencia%20Gurmai.doc.
will participate to the normal political life of the European Union, with no restrictions and with more trust on the democratic
system (Ikeda, Kobayashi and Hoshimoto, 2008), in which situation they ask the institutions to make a legislative
proposal, as it is provided for in article 11 of TEU, through the European Citizens’ Initiative, as one of the four types of
participations of citizens (Besson and Utzinger, 2008). Same political rights can be met in articles 39 and 40 of the
Charter of Fundamental Rights of the European Union.

Analysing the new role granted to the citizens it is worth to highlight few elements (Ikeda, Kobayashi and
Hoshimoto, 2008), as follows:

- the emotional element, when the citizens have the feeling that they are part of a normal society and participate
effectively in the decision-making process;
- the cognitive element. In this case citizens realise that their “voice is finally heard” through initiatives and is
taken into consideration only when several conditions are met;
- the political element means that the citizens represent the new political “actor” who joined the European
institutions in drafting and adopting the secondary legislation of the EU.

I mentioned before that the citizens have eventually recognised the right to initiative only as concern the initiatives
drafted in the field of secondary EU legislation, because, as concern the EU Treaties, article 48 of the Treaty on
European Union, as amended by the Lisbon Treaty, stipulates very clearly which are the revision procedures (Miller,
2012), who can use the revision procedure (e.g. the Government of any Member State, the European Parliament, the
European Commission etc.), to what extent the subjects can use the revision procedure (e.g. to increase or to reduce the
competences conferred on the Union in the treaties); which institutions need to be consulted during the revision
procedure (e.g. the European Parliament, the European Commission in specific cases, the European Central Bank in the
monetary area) etc.

After almost two years from the general provision stipulated in the Treaty of Lisbon, the resolution adopted by the
European Parliament in 7th May 20099, detailing the guidelines for implementing the citizens’ initiative, the proposal of the
European Commission adopted in 201010 and art.24 of TFEU, in 2011 was adopted the Regulation (EU) of the European
Parliament and the Council no.211/2011 on the citizens’ initiative, in an area of EU competence, which defines the rules
and the procedure governing this new legal instrument. It entered into force at 1st of April 2012. In other way to say, this
tool is represented by the initiative to draft proposals through citizens’ committee and then to forward them to the
European Commission, because the “decisions shall be taken [by the European institutions, organs, bodies and
agencies] as openly and as closely as possible to the citizens” (Article 10 para.3 of TEU) respecting all the legal
provisions.

Theoretical, the intention of this legal instrument, with huge political potential for strengthening the democracy in
European Union, is to be clear, simple, user-friendly and proportionate to the nature of the citizens’ initiative in order to
encourage this participation, to make the Union more accessible to the citizens, being also consistent with the Union’s
values (Besson and Utzinger, 2008). In practice, its uniform implementation is depending on the proper measures taken
by the citizens’ committees throughout the procedure and in accordance with the Commission Implementing Regulation
(EU) No 1179/2011 of 17 November 2011 laying down technical specifications for online collection systems pursuant to

Taking into account the above mentioned with the view to the Regulation no.211/2011, in the following I will make
a presentation11 of the most relevant features of it, trying also to respond to few questions: which are the conditions, who
can participate, who supports the initiatives and other technical things, as follows:

- No matter the subject of the initiatives, these must be organised by the citizens’ committee, which is composed
of at least 7 EU citizens who are resident in at least 7 different EU countries, while the members of the
European Parliament cannot be counted among the 7 citizens needed to promote the initiative;
- Any initiative must be supported by at least one million EU citizens, coming from at least one quarter of 27 EU
member countries (representing from 7 or more EU member countries), while the minimum number of
signatories per member country is provided for in the Annex I of the said Regulation;

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9 European Parliament Resolution of 7 May 2009 requesting the Commission to submit a proposal for a regulation of the European
10 The proposal was adopted on 31st March 2010.
The minimum age required to organise and to support an initiative is the voting age for the European Parliament elections, which currently is 18 in every country except Austria, where is 16 years. A special situation can be met in Catalonia, the Spanish Autonomous Community “where the right to sign and to promote a legislative initiative is [...] 16 years-old (García, López, Mincheva and Szeligowska, 2012)”.

The citizens’ committee has to ask for the registration of their initiative in one of the EU’s official languages in an online registry made available by the European Commission, which has to answer within two months. If the initiative is registered in good conditions, the organisers can ask to add translations of their initiative in other official EU languages as it was the case of several initiatives. From this rule, there are exceptions when the European Commission can refuse to register the proposed initiative when: the composition of the citizens’ committee does not follow the rules; the initiative is manifestly outside the scope of European Commission’s competences to propose legislation; the initiative is manifestly abusive, frivolous or vexatious or it is manifestly contrary to the EU’s fundamental democratic values and principles (Brochure The European Citizens’ Initiative, 2011).

The signatures can be collected either on paper or online, and must comply with the models for the statement of support provided for in Annex III of the Regulation. Before starting to collect the signatures online, the organisers must ask the relevant national authority of the EU Member State to certify their online collection system, while the deadline to reply is one month. Starting from the date when the proposed initiative is registered, the organisers will have only one year to collect these signatures.

Once the organisers have collected the required number of signatures, they will submit them for verification and certification to the relevant national authority in each country, within a period of three months, and after this moment, the organisers submit their initiative to the European Commission that will have three months to examine it and to decide how to react. After that the European Commission will issue a press release in which it will explain its conclusions on the initiative, what action it intends to take, if any, and its reasoning.

Starting with 1st April 2015 and every 3 years after that, the European Commission will present a report on the implementation of this Regulation, including the problems indentified, the strong and weak points etc.

3. Brief description of certain citizens’ initiatives

Making the application of the Regulation (EU) no.211/2011 and taking into account the article 10 of TEU, until 20 June 2013, 16 citizens’ initiatives have been registered on the official website of the European Commission, with the deadline of collection of the signatures until June 2014.

Making a brief statistic, it is worth to mention that few of the initiatives already registered, have been translated in almost / in all or in few languages, such as: “Fraternité 2020 - Mobility. Progress. Europe.” (translated in 23 languages); “End Ecocide in Europe: A Citizens’ Initiative to give the Earth Rights” (translated in 20 languages); “Unconditional Basic Income (UBI) - Exploring a pathway towards emancipatory welfare conditions in the EU” (translated in 17 languages); “Let me vote” (translated in 11 languages); “European Initiative for Media Pluralism” (translated in 10 languages), while other initiatives have not been translated yet, namely: “ACT 4 Growth” (the original language is English) or “Pour une gestion responsable des déchets, contre les incinérateurs” (the original language is French).

In the following I will try to make a short description of the relevant citizens’ initiatives, that have been already translated in the official languages of the European Union, as they are established in the Regulation no. 1/1958 determining the languages to be used by the former European Economic Community, presently the European Union, taking into account as a main criteria the date when these initiatives have been registered.

a. The first initiative introduced on 9th May 2012 is called “Fraternité 2020 - Mobility. Progress. Europe (F2020)”, having as main goal “to enhance EU exchange programmes – such as Erasmus or the European Voluntary Service (EVS) – in order to contribute to a unified Europe based on solidarity among citizens”. The collection of signatures is still on going until the 1st November 2013 and it is supported by various professors from

prestigious universities (University of Paris 1 Pantheon-Sorbonne, European University Institute, London School of Economics and Political Science, Complutense University of Madrid etc.) or institutions, such as: European Council on Foreign Relations.

The idea that stays behind the initiative is that the EU needs “to re-focus its integration efforts on the level of individual European citizens to build a genuine European union of people, not states. This would also lead to **positive economic, social, and cultural effects**”, especially in the time of crisis, by finding ways to increase the mobility promises to help the growth of the society, to eliminate as much as possible the high rate of unemployment within the EU, in particular as concern the persons between 18 and 26.

b. The second initiative is called “High Quality European Education for All17”, being registered on 16th July 2012. Its main goal is “to create an Education platform to stimulate debate on how to improve schools and boost the European dimension of education in line with the [Europe 2020 Strategy18]”. The collection of signatures for the present initiative is still on going until the 1st November 2013, and it is supported by NGOs working on diverse aspects of Education or members of the European Parents Association (EPA) or parents of students from various European schools or unions working at European level.

One of the principal objectives envisaged by the organizers of this initiative is to establish a multi-stakeholder discussion/collaboration platform where parents, teachers, students, social partners, educators and decision-makers will propose, debate and formulate a European policy, including a viable strategy, for a quality, pluralistic and EU 2020-oriented educational model at primary and secondary level for all the European citizens.

c. “End Ecocide in Europe: A Citizens’ Initiative to give the Earth Rights19” is the third initiative analysed in my paper and registered in 21st January 2013, having as main goal “to invite the European Commission to adopt [the proper] legislation to prohibit, prevent and pre-empt Ecocide, the extensive damage to, destruction of or loss of ecosystems of a given territory (Brochure End Ecocide in Europe: A Citizens’ Initiative to give the Earth Rights, 2012)”. The collection of signatures is still on going until the 21st January 2014, while this initiative is supported by various members of European Parliament from Germany, Austria, United Kingdom, France, lawyers, directors, professors from well-known universities, institutions and parties, such as: Green Party of England and Wales, European Medical Students’ Association in Brussels, International Association for Political Science Students and other professional categories.

The idea for drafting such initiative came from the fact that nowadays we are the witnesses of the damage and destruction of the planet, breaching our right to have a cleaner earth, and our obligation to protect it and to ensure a sustainable development of it, obligation which is also stated in the Charter of Fundamental Rights of the European Union, providing in the same time a draft of the future directive on Ecocide20. This initiative is also based on the efforts took at the European level by adopting the proper legislation21 in the field in order to take all the measures needed to ensure an effectively protection of the planet and to criminalise all the persons that area breaching the environmental law.

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18 The Europe 2020 is a strategy developed by the European Commission having the mutually reinforcing priorities: smart growth by developing an economy based on knowledge and innovation; sustainable growth meaning to promote a more resource efficient, greener and more competitive economy and inclusive growth by fostering a high-employment economy delivering social and territorial cohesion. For more information see http://ec.europa.eu/europe2020/index_en.htm.
4. Conclusions

After the failure of the Convention on the Future on Europe from 2002\textsuperscript{22} which in former article 45\textsuperscript{23} comprised the first mention of the direct participation of the citizens through a European Citizens’ Initiative, the Lisbon Treaty is the second major European treaty that recognises this political right in the benefit of the citizens, creating all the legal premises to adopt the secondary legislation, namely the Regulation (EU) no.211/2011, as a brand new transnational instrument.

I strongly believe that the proper implementation of this instrument will bring only benefits both for European Union, as an entity, and for almost 500 million citizens, which from now on are acting as “co-authors” in the European legislative process but not as main actors, by promoting the most relevant and stringent initiatives, with cross-border element, for the entire European society, encouraging debates on various issues in many fields of activity, such as: education, environment, taxes, economy etc.

Analysing the present paper, one question raises, to what extent this instrument can have the power to contribute in a decisive manner to the trans-European debates on the Union beyond the reticence attitude existed until the adoption of the Regulation (EU) no.211/2011, as concerns the active involvement of the citizens (Głogowski and Maurer, 2013).

Finally, the last part of my paper analyses certain citizens’ initiatives that have been already registered on the official website of the European Commission, created in this sense through the Regulation. The main criteria envisaged by me, was the date of the registration of the initiative and not its importance, because from my point of view, each of them can change the present life of the European society, can bring something new to our life, in order to make it simpler, clearer, healthier and better.

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EU Biodiversity Strategy 2020 – towards implementation
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European Parliament Resolution of 7 May 2009 requesting the Commission to submit a proposal for a regulation of the European Parliament and of the Council on the implementation of the citizens’ initiative

\textsuperscript{22} This Convention was a body established by the European Council in December 2001 to produce a draft Constitution for the European Union for the Council to finalise and adopt. The Convention finished its work in July 2003 with their Draft Treaty establishing a Constitution for Europe, Treaty which failed to be ratified by all the Member States, in 2005, by France and the Netherlands, after two decisive referendums.

\textsuperscript{23} Former article 45 “The principle of representative democracy” of the Convention on the Future on Europe stated that “every citizen shall have the right to participate in the democratic life of the Union. Decisions shall be taken as openly as possible and as closely as possible to the citizen”.

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The 1976 Decision and Act concerning the election of the representatives of the European Parliament by direct universal suffrage by the citizens

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Enchanting the Punishment:
Representations of Fairy Lady as Punisher in Sir Launfal and The Romans of Partenay

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Abstract

This article discusses the ‘fairy’ ladies as lovers, helpers and punishers in Middle English metrical romances. It mainly concentrates on the representations of the fairy ladies Lady Tryamour in Sir Launfal and Melusine in The Romans of Partenay. It discusses how these fairy ladies are presented as lovers, helpers and also as punishers of their lover and husband, what makes them distinctive, their differences from the mortal female lovers, helpers and punishers. Meanwhile, their fairy worlds are argued whether they are really sanctuaries for the mortal males who are desperately in need of support and protection, or they are disguised hells. The fairy ladies are compared with saintly helpers when they provide assistance to the mortal males through enchantments; however the reasons of the changes in their roles from helpers to punishers are presented in detail with specific examples from the romances. Enchantment is also discussed whether it is a means of relief or a sinister threat and even a punishment not only for the male lover but also for the other characters in the romances. By arguing the nature of fairies, their fairy world and their use of enchantment either for help or as a threat, this article discusses how angelic and villainous the fairy ladies are, and it presents how they ‘enchant help’ when they meet desperate males, as well as they ‘enchant punishment’ once they are threatened or betrayed.

Keywords: Sir Launfal; The Romans of Partenay; fairy lady; enchantment; punishment.

Romances are “stories of adventure in which the chief parts are played by knights, famous kings, or distressed ladies, acting most often under the impulse of love, religious faith, or, in many, mere desire for adventure” (Everett, 1955, p. 3), and these adventurous stories of noble men and women end happily (Schmidt and Jacobs, 1980, p. 1). In his discussion of popular English metrical romances, Brewer (2004) explains that, romances “deal in a fantasy world of adventure and love by knights and ladies” (p. 61). Plenty of the females presented in metrical romances are mortals, without any superhuman power, and love may be either punitive or ennobling for these females, depending on the attitudes of the male and even female villains in romances. In addition to this, there are few females who are either enchantresses or who have supernatural powers. Contrary to their mortal counterparts, the females with supernatural power have remarkable dominance throughout the romances that employ them. In accordance with that unusual feature, this article intends to discuss how fairy ladies are presented as lovers, helpers and also as punishers of their lover and husband in Sir Launfal and The Romans of Partenay which are Middle English metrical romances with particular interest in the enchantress figures.¹

In most Middle English romances, ladies are attractive and desirable, obedient to their male superiors, without any attempt to interfere into male concerns. It is noticeable that the most common fate of these submissive ladies is to be falsely accused of adultery by their family members, to be exiled with their children on the sea in a rudderless boat, starve, pray to God for survival, to be separated from their children when they arrive in a foreign land after the children’s abduction by wild beasts. They are then found and cared for by noble men until they are reunited with their lovers, husbands and children.² However, the romances with a fairy lady distinguish with their presentations of strong and

¹ As for the manuscript details of both romances, see Boffey and Edwards’s (2005) A new index of middle English verse, number 567 for Sir Launfal and number 819. 5 for The Romans of Partenay.

² For weak or submissive representations of mortal females in other Middle English metrical romances see the presentations of the female characters especially in Amis and Amiloun, Athelston, Beves of Hamptoun, Cheuelere Assigne, Emaré, Erle of Tolous, Floris and Blancheflour, Generydes, Ipmodon, King Horn, The King of Tars, Lay le Freine, The Lay of Havelok the Dane, Le Bone Florence of Rome, Octovian, Sir Degaré, Sir Degrevant, Sir Eglamour of Artois, Sir Isumbras, Sir Orfeo, Sir Tryamour, The Squire of Low Degree, Torrent of Portyngale, William of Palerne.
dominant females who are also desirable. Such romances employ unusual female characters who are lovers, helpers and also punishers of their lover or husband at the same time. The multiplicity of their roles makes them distinctive compared to the mortal females represented in many other metrical romances.

The presentation of fairy lady alters from saintly helper to punisher throughout the romances. At the beginning of the romance, the lady provides assistance to the mortal male through enchantments; however, her role changes from helper to punisher, and the lady who enrants help evolves into a lady who enrants punishment, once she is threatened or betrayed by the male she puts thrust in. Similarly, her fairy world which pretends to be a sanctuary for the mortal male who is desperately in need of support and protection revels to be a disguised hell, following the lady’s transformation into a punisher figure. In addition to this, enchantment which is a means of help previously but a means of punishment afterwards, has an ambiguous function. It is arguable whether enchantment is a means of relief or a sinister threat and even a punishment not only for the male lover but also for the other characters in the romances. In these contexts, the nature of fairies, the fairy world and their use of enchantment either for help or punishment provide multiple presentations which blend angelic and villainous, powerful fairy female and desperate mortal male, enchanted help and enchanted punishment.

In *Sir Launfal*, Sir Launfal leaves King Arthur’s court not only due to the fact that he has been deprived of his wealth, but also in order to escape from the seduction of Arthur’s promiscuous queen Guenevere. However, Guenevere revenges herself on Sir Launfal for rejecting her love, and she abuses her husband’s kingly authority to put Sir Launfal into trial. Sir Launfal resists to Guenevere; however, his resistance ends with his submission to another female, who relieves his suffering temporarily but makes him a victim afterwards. Since he has been impoverished and in need of regaining his wealth and respect, Sir Launfal seeks for powerful and prosperous supporter; nevertheless, he is refused to be accommodated by his former mayor because he no longer belongs to the court. In Osborne’s (2010) words, he becomes one of those knights “who must find some means of topping up their coffers in order to regain knightly respect” (p. 82).

Sir Launfal’s isolation from the noble and rich circle brings him closer to a fairy lady’s protection and support. This intimacy with a stranger woman is unusual and threatening because although she is a stranger she seems to be friendly, hospitable and merciful, and she asks for a deal to help Sir Launfal. Being alienated by his former mayor who is supposed to protect and support Sir Launfal in accordance with the idea of kinship in the chivalric society brings Sir Launfal closer to thrust in a stranger lady who offers him comforts. Historically, the chivalric values of friendship, hospitality and mercy were replaced with monetary value and self-interest in the fourteenth century England (Choi, 2010) in which *Sir Launfal* was written, and these values are embodied in Lady Tryamour instead of the mayor not only in order to emphasize the change of chivalric values in the late Middle Ages, but also to present the fairy lady amicable and agreeable before her transformation into a punisher.

Unlike the mayor, Lady Tryamour whom Sir Launfal meets at the forest is not concerned with Sir Launfal’s wealth or noble birth. However, Sir Launfal looks for economic prosperity and personal advancement by means of this lady’s help because he is aware that he cannot achieve them through chivalric ideals, which have become perverted. Therefore, he submits to a deal with the lady, which recalls the binding by oath in a legal agreement. Once Lady Tryamour provides Sir Launfal with an opportunity to regain his wealth and renown, she asks for a risky deal. Lady Tryamour is protective like an angel, providing Sir Launfal with magical gifts (a purse, a horse, armour and a servant) to make him invulnerable, invincible and comfortable; however, she threatens him by warning that he is destined to lose them all if he boasts of her existence to anyone:

> ‘But of o thyng, Syr Knyght, I warne the,  
> That thou make no bost of me  
> For no kennes mede!  
> And yf thou doost, I warny the before,  
> All my love thou hast forlore!’ (1995, p. 220, lines 361-365)

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This liaison between human and fairy recalls the courtly ideal that a noble lover shall never betray his beloved lady (Cartlidge, 2010). Moreover, it also makes Lady Tryamour threatening although she is the “giver/gift herself” (Wade, 2011, p. 115). The requirement of secrecy in their deal is functional not only to test Sir Launfal’s abiding by his promise, but also to imply Lady Tryamour’s dominance in their relationship. Breaking promise creates painful consequences, as occurs in Sir Launfal. Sir Launfal assures Lady Tryamour that he will not boast of her existence; yet, when he breaks his promise, Lady Tryamour vanishes and leaves him vulnerable to the evil Queen Guenevere’s false accusations. Moreover, the deal for keeping her existence secret makes her the ruler over Sir Launfal, as he has to obey her in order not to be punished.

The reason for secrecy does not stem from her desire to protect herself from harm, since she has freedom and control over her actions (Marchalonis, 1986, p. 62). Hibbard (1969) states that secrecy “became a test of love, its breaking by the hero a failure in love for which the direst hardships, love-sickness running even into madness, were but rightful expiation” (p. 209). Sir Launfal does not run into madness or suffer from love-sickness; yet, he regrets that he has ignored Lady Tryamour’s warning. Keeping Lady Tryamour’s existence secret makes it more tempting to reveal it; therefore, Sir Launfal disregards her warning and compounds his suffering by attempting to take an easy way out by sidestepping its consequences and ignoring the fact that he may be victimized eventually. He mistakenly considers that his deal with Lady Tryamour is the only means to keep him away from Guenevere’s villainy, therefore he boasts of Lady Tryamour’s beauty, which results in her disappearance and his repentance:

‘Alas!’ he seyde, ‘my creature, How schall I from the endure, Swetyng Tryamour? All my joye I have forelore, And the – that me ys worst fore – Thou blysfull berde yn bour!’ (1995, p. 231, lines 745-750)

According to Saunders (1993), “the forest represents exile from an unjust society” (p. 144) which provides a sanctuary for deprived Sir Launfal. However, the threat it encloses is apparent since Sir Launfal consents to a risky deal in the forest. The result of this deal is quite disturbing because after she vanishes Sir Launfal becomes vulnerable to Guenevere’s threat and punishment until her reappearance when he is about to be punished by King Arthur. Moreover, after Lady Tryamour leaves Sir Launfal, he becomes vulnerable to poverty, punishment and disrespect until she reappears when he is about to be executed and takes him into her fairy land where he will be invulnerable.

Lady Tryamour’s fairy land in Sir Launfal pretends to be a sanctuary or a retreat for avoiding any kind of earthly suffering. In the human world, Sir Launfal is subjected to Queen Guenevere’s temptations and her attempts to punish him because of his rejecting her love. On the contrary, Lady Tryamour’s fairy land is a secure and pleasant isle which resembles the Garden of Eden with its pleasures. Sir Launfal is away from earthly vulnerabilities and harms and threats in Lady Tryamour’s fairy land. Nevertheless, the edenic representation of her fairy land is deceptive. In her fairy world, even if Martin (1966, p. 205) states that Lady Tryamour is presented as a mortal woman with a name, which makes her an ordinary woman without any unusual attribution, it is notable that she is free from all social and moral constraints. Her freedom stems from the fact that she is the figure of authority which cannot be threatened by a mortal male. Her power and dominance come from the fact that she has supernatural power. After Sir Launfal’s boasting of her to Queen Guenevere, Lady Tryamour disappears as she foretold, which is “a sudden reminder of violence of the faery world” (Saunders, 1993, p. 146) ruled by her. It is a place totally under Lady Tryamour’s unquestionable control. Under her supreme authority, Sir Launfal is subjected to being submissive to her in order to be kept in this secure and so-called edenic place.

Finlayson (1999, p. 389) suggests that there is very little attempt in the romance to elaborate on the magical elements; however, magic is significant in revealing the threatening nature of Lady Tryamour. It is particularly apparent when Lady Tryamour punishes Queen Guenevere. Punishment by blinding is, in fact, nominated by Guenevere before her villainy is revealed because she asks to be blinded if she is wrong. Lady Tryamour blows a breath which blinds Guenevere, and she takes Sir Launfal to her fairy land where he will be removed from suffering forever. Guenevere is blinded by Lady Tryamour’s breath in return for her false accusation against Sir Launfal; hence the victim is saved while the victimizer is sentenced, which is a reasonable resolution.

Lady Tryamour’s punishing Guenevere with magic reveals Lady Tryamour’s menacing and violent nature, and the unavoidability of punishment if she is wrathful. In addition to this, Guenevere has already deserved punishment because of her falsely accusing Sir Launfal. It is also emphasized in the romance that Sir Launfal suffers mainly because of his
failure in keeping *trouthe*. *Trouthe* was regarded as an aristocratic honour, a social bond, particularly associated with chivalry and sworn relationships in medieval feudal society, and in its simplest terms may be defined as “verity and fidelity”, “a promise, a pledge of loyalty”, apart from its definition of “divine righteousness in Christian dogma” and “accuracy” (Green, 2002, p. 8-9). Therefore, despite Lady Tryamour’s threatening fairy nature, it is also Launfal’s fallibility which makes him more vulnerable to her magical power.

Historically, punishment by mutilation, including blinding, was legal in the thirteenth century, however it was ceased by the turn of the century (Bellamy, 1973, p. 181). All the same, the punishment of Guenevere by Lady Tryamour represents the administration of justice within the historical background of judicial inquiry in the fourteenth century, in a time of unsettled monarchical control; therefore, “the intervention of a supernatural being in the administration of justice condemns the failure of ruler and court and presents a model for emulation: perfect moral and humane value and action” (Hazell, 2003, p. 135). Guenevere’s desire for empowerment through perverting justice and her punishment are, therefore, realistic occasions which were witnessed and sentenced in the period. It is significant that the execution of Guenevere’s sentence is performed by a supernatural agent, which historically implies that no one in the court would punish her although justice legally demanded it (Tuma and Hazell, 2009, para. 48). The queen being punished by a supernatural agent is significant due to the fact that her husband’s authority and wrath were frightened of and avoided as much as possible. Thus, Lady Tryamour replaces the authority which is supposed to be the punisher of the villainy and the evil. Consequently, she becomes the figure and means of justice which is fair and direct, and hence she alternates with the noble and legal authorities. In that sense, her roles as the punisher of Sir Launfal and the punisher of Queen Guenevere do not differ substantially. In both cases, the breaker of the *trouthe* (promise) and the breaker of truth (justice) are penalized successively.

Likewise, the fairy lady figure as the protector of *trouthe* and the punisher of the breaker of *trouthe* is a recognizable issue in *The Romans of Partenay*. Similar to Lady Tryamour in *Sir Launfal*, it is unclear whether the fairy lady Melusine in *The Romans of Partenay* is an angelic woman or a villain. She is enchanted by her mother as a punishment and she is destined to be half-snake every Saturday; however, she can live like a mortal woman and die naturally unless her secret is revealed. Her double nature generates both a fairy and mortal woman in the same body; however, her fairy side dominates over her mortal side. As an ordinary woman Melusine comforts Raymond who mourns after accidentally killing his uncle, marries him, provides him with lands and even forgives him, although he ignores her warning and sees her on a Saturday. Nevertheless, after their son burns his brother Fromont, Raymond blames Melusine’s inherent evil, her half-snake nature, for the cause of suffering in their family. As Saunders (2010) states, “the taboo is broken, the monstrous revealed” (p. 190). Melusine blames Raymond for causing her suffering although she helped him when he suffered. Subsequently, her mortal nature and her role as reliever of suffering change into her fairy nature and her role as victimizer, and Melusine punishes Raymond by withdrawing all comforts she has provided. She has already prophesied that Raymond is destined to suffer great pains, provided that he ignores her warning:

*Iff it be, ye shall have greatly to doo*
*huge noisaunt pannes with aduersite,*
*And desherbe be wretchedly also*
*Of tennementes, landes, the beste to se;* (1899, p. 42, lines 1044-1047)

However, Melusine is not evil, since she advises Raymond on family matters so that he will not suffer much after her disappearance. She advises her husband Raymond to kill their son Horrible to prevent the suffering he may bring into their family if he survives. Lewis (2011) calls Melusine’s warning “the most dramatic lesson” (p. 19) given by a mother, to stress her distress while giving her counsel. Her care for her family’s peace more than her child’s life, and making this the reason for victimizing her child, brings her closer to justifiable villainy. On the other hand, although foretelling many ordeals, Melusine also comforts Raymond by saying that bemoaning their son Geoffrey’s burning of his brother Fromont makes him more vulnerable to her magical power.

Although it sounds paradoxical with her fairy nature, Melusine’s approval for the punishment of the corrupt monks, one of whom is her own son, is related to her piety. Apart from being a responsible wife and mother, Melusine is also a devoted Christian, despite transforming into a serpent every Saturday. She can live like a mortal woman and die naturally on condition that her husband does not see her on Saturdays. Although her marriage provides a chance for her to live as
a mortal woman with a husband and children, it becomes the reason for her grief as her fate “is subject to her husband’s human weakness” (Lewis, 2011, p. 23) when Raymond sees her snake body, accuses her of being the reason for unrest in their family, and she is forced to leave forever. The breaking of a promise is forgiven once in *The Romans of Partenay*, when Raymond breaks his promise to Melusine that he will not see her on Saturdays when her half-snake body is revealed. Although Melusine does not punish him immediately, she disappears after he holds her half-snake nature against her as the reason for the suffering in their family. She leaps out of the window and changes into a serpent. Exposure of her monstrous side not only victimizes her as she loses her chance to live like a mortal, but also makes her husband vulnerable without her support.

Actually, Melusine is not responsible on her own for the punishment of Raymond. Raymond also makes himself a victim, since he fails to accept “what is beyond obvious reason- like Melusine’s non-human quality” (Richmond, 1975, p. 80). Therefore, he submits to the punishment he has caused by accepting Melusine’s disappearance. His penance moves him “toward a higher level of self-awareness and faith” (Lewis, 2011, p. 17). He cries, tears his hair, smites his breast and wails, and retreats to a hermitage in devotion to God until he dies. He accepts punishment by rightly blaming himself:

> ‘Alas! alas!’ thys ther saide Raymounde,
> ‘A more purer man in the worlde ne is
> Off verray trought then I am this stounde!
> Alas! Melusine! this day haue don Amys,
> That by my diffaute you haue I loste this!’ (1899, p. 102, lines 2871-2875)

Consequently, Raymond goes to Rome to ask for penance from the Pope for his treatment of Melusine, before retreating to a hermitage until his death. He accepts his punishment willingly because he is aware that he has already deserved it by ignoring Melusine’s previous warnings. Just before her transformation into a snake, Melusine foretells what Raymond’s punishment is and how he is destined to suffer after she disappears:

> All-way thy dedes shall go to decline,
> Ne neuer shal be wrought ne made again,
> And thi land shal be, After thi discesse plain,
> Parted in partes I beleue shal be,
> Neuer to-geders hold in seueralte, (1899, p. 127, lines 3636-3640)

Melusine says Raymond’s lands will be divided after his death, and some of his men will lose their lands. She warns him to beware of Horrible, as he will waste all the country and make him suffer from poverty. After Melusine’s disappearance, Raymond loses all his riches and joy, and his pain does not end until he dies as Melusine prophesied.

The skill of prophecy, especially of the terrific upcoming, implies Melusine’s demonic nature; however, she is not purely evil. Melusine blends characterizations of fairy, mortal and divine, which cleanses her of the purely demonic representation. The snake represents the “Christian sinner seeking spiritual renewal” (Wheatcroft, 1999, p. 145) within context of Christianity. Unlike other fairy ladies, Melusine has a half-snake body, which associates her with death and decay (Miller, 2010, p. 7), as well as the devil (Wade, 2011, p. 124). Indeed, Melusine is not purely demonic in her half-human and half-snake body. She lives with mortals on earth, looks angelic, and she is a devoted Christian. Although Melusine is a reliever of suffering and victimizer of Raymond, she is a sufferer as well. She is punished, with her sisters, by her mother after she encloses her father King Helmas in an enchanted mountain, because he has broken his promise to his wife and has seen her giving birth to their daughters, although she warned him not to look. Although Lewis claims that Melusine’s adolescent revolt represents female aggression against male power to overthrow patriarchal dominance (Lewis, 2011, p. 20), she has rather been victimized because of her revolt, which initiated the chain of punishments in the romance, not only for herself but also for her family members.

Actually, the blend of fairy, mortal and divine in both *Sir Launfal* and *The Romans of Partenay* is functional owing to the fact that this unusual representation of a female alters the traditional gender roles. In both romances, the female lover who has supernatural gift has power and generosity, which makes her masculine. Hence, female authority is justified only when it becomes extraordinary. Authority monopolized by the male could be surpassed by the female only if a woman is depicted out of her conventional representation. Accordingly, both romances assume ambiguous attitudes towards the fairy female, since it is unclear whether they intend to invoke the necessity of change of gender roles to erase the female submission to the male which has been repeated in several medieval romances; or they imply that female authority is
unrealistic, since it is described through not mortal but fairy ladies, and it is sinister because fairy ladies are threatening and victimizer, despite their angelic pretentions.

Nevertheless, the purely demonic representation of the fairy lady is relatively avoided in Sir Launfal and The Romans of Partenay. In both romances, the fairy lady’s prohibition is laid upon her mortal lover only when the mortal lover breaks the fairy lady’s command. She is like an independent ruler; however, she is also a victim after her separation from her lover, especially in The Romans of Partenay; therefore, she indirectly becomes her own punisher as well. Publicity of love, additionally, is a reason for punishment of especially the mortal lover besides that of the fairy lady. When the lovers exchange promises on their obligations and duties as lovers, they indeed, define their own understanding of love. Accordingly, love shall have modesty and privacy. In both romances, love is to be kept away from pride and publicity due to the fact that both pride and publicity of love deteriorates the affair. Love is deteriorated when the male lover in both romances breaks his trouthe; thus, the fairy lady’s role as the punisher of the disobedient male is justified because it is not without a reason.

It is obvious that fairy ladies define their restrictions and make agreements on their own terms with people whose suffering they relieve, and they punish them if they disobey or disregard them. The punishments meted out by fairy ladies following disobedience to them evoke divine punishment after disobeying God’s order, which also justifies and sanctifies their role as the punisher of the disobedient. Moreover, neither Lady Tryamour nor Melusine is punished because of their having punished Sir Launfal and Raymond. The punishers’ being exempt from punishment hints that the victims have already deserved punishment and neither of the fairy ladies is completely evil.

Both Lady Tryamour and Melusine share angelic and demonic features; however, they differ in some aspects. Different from Lady Tryamour, Melusine is a woman punished by her mother; she is a wife and a mother who has no fairy land of her own. Melusine’s life among mortals depends on the conducts of the mortals around her. In other words, she is also on the verge of being punished if someone disobeys her and sees her on a Saturday. Thus, she has a justifiable reason to threaten and punish Raymond who is a disobedient mortal. However, Lady Tryamour has self-control over her power, and there is no external threat to her authority. In addition to this, Lady Tryamour has a fairy land where she takes Sir Launfal at the end of the romance, following her punishing Guenevere. This private and edenic place totally under her control pertains to a heavenly prison for Sir Launfal because of his being under Lady Tryamour’s control and order there forever. These differences bring Melusine closer to the representation of a mortal woman since she is weaker and submissive to her fate contrary to Lady Tryamour. On the other hand, Lady Tryamour is portrayed strong, determined and out of the conventional gender roles due to the fact that she has supreme control over herself and others.

In common, Sir Launfal and The Romans of Partenay employ a fairy lady who is a lover, helper and then punisher of her lover or husband. The fairy lady is compared with a saintly helper when she provides assistance to the mortal male through enchantment. In that sense, enchantment is a means of relief; however, it turns into a sinister threat and even a punishment for the male lover after the change in the fairy lady’s role from helper to punisher. This transformation of roles obscures the function of enchantment. The fairy lady enchants help provided that she meets a desperate male, while she enchantures punishment once she is threatened or betrayed. Therefore, enchantment recalls God’s means of judgement. Hence, Lady Tryamour and Melusine, indeed, substitute for the divine authority in a female body, since they have fair judgement and punishment.

On the other hand, the desperate male is dependent on his fairy mistress/master and he is bound to live in accordance with fairy rules, which make him lose his individuality. This human dependence on non-human beings is disturbing and threatening, reminding the audience of the role of God as the forgiver, protector and saviour of repentant and innocent. Absence of God in the fairy realm becomes the means of understanding God’s significance, and his existence as the forgiver of the repentant and the punisher of the disobedient. Hence, Sir Launfal and The Romans of Partenay indirectly become didactic in a religious way because they demonstrate and emphasize their moral content through mortal victims who finally recognize their hubris and sins, and fairy punishers who are aware of their authorities.

In conclusion, repentance of Sir Launfal and Raymond provide evidence for the distinctive authority of Lady Tryamour and Melusine respectively, which stands for the religious teachings in medieval society. Thus, Sir Launfal and Raymond are implicitly presented as a role model for the Christian audience listening to or reading their punishments and repentance. Hence, the romance audience feels uneasy with the punisher, and empathizes with the punished romance protagonist by shattering himself in the victim’s destructed world. The victim’s survival process is a form of catharsis for the audience, who can reinvent themselves through it, although they do not actually experience the punishments personally. Therefore, the victims’ experiences reflect, or become a foil to, the reaction of an actual or potential victim in real medieval life.
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Jurisdiction and How States (State Bodies) Exercise Jurisdiction Under International Law

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Abstract

State jurisdiction over foreign states and citizens. The notion of jurisdiction, judicial jurisdiction, jurisdiction of international organizations, how states exercise jurisdiction: operation of intern state bodies, on behalf of which jurisdiction is exercised. Representation of states and state governments. Exercise of national jurisdiction. Criminal Jurisdiction. Jurisdiction refers to the three forms of the juridical power, which correspond to the three branches of state government: legislative, executive and judicial. Notwithstanding this definition, the term power still remains unclear, as it can refer, in the first place, to the legislative power; that is the ability to set rules on people, estates, and events (the so called prescriptive jurisdiction) in a given state. The term jurisdiction can refer even to the local public administration (government bodies) to intervene on people, estates, or events. Cases of jurisdiction absence and exclusion must be balanced with the sacrificed right and the protected interest. The methodology used. This research paper uses scientific research theoretical methods and practical methods referred to the European Court of Human Rights judgments.

Keywords: State jurisdiction over foreign states and citizens - Albanian state jurisdiction over foreign states - Lack of state jurisdiction: foreign states’ immunity from the jurisdiction of another state.

1. Introduction

The term “jurisdiction” derives from the Latin. The term originates form the Ancient Roman Law. In the Roman law the term jurisdiction implied either the power of Praetor (Magistrate) to give justice or the power to establish juridical norms (legislative powers).

Objectively, jurisdiction is a public function implying the power of an authority to interpret and implement the norms provided by the objective law through a specifically set process.

Nowadays the term jurisdiction has different technical and legal meanings due to the various law areas of application.

The doctrine generally recognizes the term jurisdiction to mean a legal power; that is an option, or better, a competence provided by law to intervene by unilaterally establishing, modifying or extinguishing certain juridical relations based on specific procedures and principles as provided by the legal order.

In the matter of domestic jurisdiction that different states exert, there are two major concerns. The first relates to the existence or not of state authority over certain international disputes, which cannot to be settled by the concerned state. The second relates to the willingness of the state to exert the recognized state authority over such disputes.

A common expression for states’ jurisdiction is that a certain state (state authority) admits to have or exert jurisdiction over individuals for certain civil or criminal actions in a given time and space. Juridical rules and principles that regulate jurisdiction are of major importance in foreign relations between states and other international bodies. This work is aimed at dealing with the way different states claim to have jurisdiction over certain issues and providing the basic rules by which jurisdiction is distributed among different states.

Apparently, the term jurisdiction means a territory where a given state exerts its authority. For instance, when a local court, in a given family case, orders that the child should not leave the court jurisdiction, the term jurisdiction here fits to the meaning of the particular state authority territory, which, in this case is the territory where the court exerts its jurisdiction.

1 From the Latin Jus dicere, i.e. to speak law, to apply justice under law provisions.
When certain matters enter administrative jurisdiction rather than court jurisdiction, here the term *jurisdiction* implies the subjective competence of various authorities within a given state.

Nowadays, the term *jurisdiction* is increasingly referring to the power of a given state rather than to the geographical or territorial restraints to such power, on the basis that the foundations for jurisdiction is the sovereignty of that state.

As a rule, the major claim of states to exert jurisdiction includes one or all of the following sub-claims: claim to establish orders (prescriptive jurisdiction related to certain behaviors), claim to establish rules (normative claim to allow or prohibits activities under certain provisions), claim to enforce, i.e. to implement rules (by forcing individuals through legal, physical, economical and other means), claim to punish and claim to judge various law subjects through the use of unbiased state authorities.

For analytical purposes, the author thinks that jurisdiction should be divided by criminal and civil subject. However, the civil subject is used in a broader sense and it includes either the tax area or the administrative one.

It’s worth mentioning that such a division for study purposes, to some extent, diminishes the claim of certain states to exert jurisdiction outside their territory. The European Court of Human Rights, in the case Al-Adsani, made a distinction between civil and criminal jurisdiction so as to establish if the rule of state immunity should be avoided in front of the fundamental rules of international rights of *ius cogens* order.

Under the international law, a state’s jurisdictional competence is territorial competence. As a general rule, any state can exert jurisdiction to judge on lawsuits submitted to its courts, although such lawsuits may relate to extraterritorial individuals, estates and events, within the limits provided by international law.

The solution of any claim to exert jurisdiction should be made under common international legal recognized rules and principles. When defining the term *jurisdiction*, one may found an interesting perspective inside the international organization of European Council. The question whether the European Convention for the Protection of Human Rights and Fundamental Freedoms covers some actions performed outside the national territory of a given state, has been submitted even to the previous European Convention of Human Rights, which in the case of the partial occupation of Cyprus from Turkey under the French version of European Convention, concluded with the following: “The Convention Member States are due to guarantee under their jurisdiction the rights and freedoms provided by the Convention”. Accordingly, such protection is to be provided for any and all individuals under the state authority and responsibility, whatever the way such authority is exercised, either inside or outside the national territories of member states. Such conclusion has been further confirmed even by the European Court of Human Rights. This court, by its judgment in the case *Loizidou vs. Turkey*, declared the Turkish state responsible for the actions performed in the area controlled by the Turkish armed forces in Cyprus, as actions in violation of the rights sanctioned by the European Convention.

The European Convention is an international multilateral treaty, and the concept of jurisdiction in this convention is similar to the concept of jurisdiction provided by the international law. As such, it should be explained under the international, interpretative and legal means and instruments.

In this area of world globalization, the issue of deterritorialization is increasingly gaining special interest and attention, especially for the human rights law, where universality of this area is seen as a particular characteristic of the human rights (Ciomos, V., 2010).

With reference to the international law, jurisdiction is an unclear juridical concept full of chameleonic colorings. In the doctrine of international law, the term *jurisdiction* usually refers to the right of sovereign state authorities to exercise...
legislative, executive and judicial power (*adjudicative jurisdiction*). The last is exercised by the state judicial authorities such as the magistrates under the judicial system organization in that state. The common denominator, however, is that the state jurisdiction is considered an attribute of states’ sovereignty.

From the perspective of international law, it is very important to make a distinction between the various notions and forms of jurisdiction. For instance, this is the case of a person suspected of having committed a crime within the territory of the Republic of Albania and escaped to Turkey. Certainly the Albanian courts have the jurisdiction to try that person under the Albanian laws on guilt and innocence. However, the Albanian police (an administrative authority) have no jurisdiction to enter the Turkish state and arrest the suspect (to exert its administrative jurisdiction). In such case, the Albanian state authorities should invite the Turkish authorities (through a request of extradition\(^\text{10}\)) to arrest and hand over the suspect, so as he might be tried in Albania.

The exercise of legislative, executive and judicial power by the competent state authorities is considered as an exercise of state jurisdiction and it is one of the major forms of the exercise of sovereignty in the territory of the relevant states. Under the rules of international law, no state can unduly and unilaterally infringe or intervene in the exercise of sovereignty of another independent state. A state (i.e. its authorities) cannot intervene in the forms and way how another state’s authorities exert jurisdiction.

Affirming that the term *jurisdiction* has different meanings mainly related to the exercise of state power over certain individuals, estates and events, is only one aspect. Jurisdiction refers to the three forms of legal power, which correspond to the three areas of state power: legislative, executive and judicial power. Notwithstanding this definition, the term *jurisdiction* still remains unclear, and, in the first place, it may refer to the legislative power, that is the possibility to establish rules on individuals, estates and events (the so called prescriptive jurisdiction) in a given state (Aust, 2005, p.43). The term jurisdiction may refer even to the power of state administration (government authorities) to intervene on individuals, estates or events under certain rules so as to implement certain norms (from prescriptive jurisdiction). In this case we have to do with executive function in application of jurisdiction (the so called executive jurisdiction). To better illustrate the concept, as far as the Republic of Albania (‘Albania’) is concerned, an example of administrative jurisdiction is the Council of Ministers decision-making to regulate some aspects of law implementation. Another example relates to the term used in law no. 9749 of 04 May 2007, “on state police”, which in section 3 of this law entitled “the police jurisdiction” provides: “The police operates in the territory of the Republic of Albania”, thus implying the applicative jurisdiction of police authority.

2. Judicial Jurisdiction

The state jurisdictional power, i.e. the option of judicial state authorities (courts) to listen, examine and decide on particular issues related to certain individuals, estates and events by applying and implementing the law is considered as a special form of jurisdiction (judicial jurisdiction).

The judicial jurisdiction is the exercise of judicial authority through judicial procedure ending in a typical provision called *final judgment*. A judgment is a special powerful instrument in case no appeal remedies, under the legal system, oppose to such judgment.

The presumption, either explicit or implicit, of the judicial jurisdiction is the first step toward the initiation of a judicial procedure. As far as jurisdiction is concerned, the judicial authorities of a given state tend to revolve around two major axes: 1) extension of their jurisdiction in those areas where other states may claim to exert their jurisdiction in an extended way; 2) failure to exert jurisdiction in those areas where other states hesitate to exert their jurisdiction as they were expected to do.

Under the juridical tradition of civil law system, where Albania makes part, the Albanian judicial jurisdiction is a category broader than the courts’ judicial competence. The concept of judicial jurisdiction refers to the range of cases that the Albanian courts have the power to try, if they are required to, whereas the judicial competence refers to the identification of the competent court to try a given case in the Albanian territory. The range of Albanian jurisdiction is provided by law under certain criteria related to the circumstances that involve individuals, estates or events in direct contact with the Albanian juridical order.

\(^{10}\) Supposing that an extradition agreement exists between both states
2.1 The jurisdiction of international organizations

In international juridical order, the term jurisdiction implies even the power of an international judicial organization (international interstate public organization) to settle, through a binding decision, a dispute aroused between states or other entities having international legal personality.

The jurisdiction of an international court (i.e. an International Organization with international legal personality) is exercised to the extent provided by the articles of incorporation.

In the international arena, usually it is the Charter to provide the jurisdiction of the organization over individuals and the kinds of disputes to be tried.

Accordingly, in order to understand the extent and manner an international entity exerts jurisdiction, one should refer to the document supporting and providing the exercise of such jurisdiction.

The jurisdiction of international judicial authorities may be a specific jurisdiction if related to disputes aroused before the international jurisdiction could provide. Furthermore, the jurisdiction of international judicial authorities may be a general jurisdiction if related to eventual disputes.

For instance, states which have recognized the jurisdiction of International Court of Justice, where Albania makes part, assume that, for certain juridical relations related to the application of the Convention on Prevention and Punishment of the Crime of Genocide, the eventual disputes should be settled by international binding judgments of this court.

3. How states exert jurisdiction: National authorities operating on behalf of the state exerting the jurisdiction.

Representation of states and state governments.

The domestic jurisdiction is actually exerted by the relevant state authorities. From the perspective of international law, the government represents the state almost in any kind of international relation and interaction with the international forums.

An eo nomine lawsuit against a government is not distinct from the lawsuit against the state of that government.

The practice of states has established an international tradition recognizing that the lawsuit against a foreign state government is identical to the lawsuit submitted against the state. Just as the State is internationally represented by its Government, which for practical purposes identifies the State, the Government is organized in administrative subdivisions like ministries, departments, government agencies and other authorities, which function on behalf of the Government.

State authorities, ministries, departments, government agencies may be – indeed they usually are – entities with special juridical personality provided by national law.

Although national government entities, under international law, lack the international juridical personality to act as international law bodies (sovereign states, organizations with international personality), such entities may represent the State or act on behalf of the State Government, as they are an integral part of the State. Under national law, such government entities may be the Prime Ministry, the Ministries, the central administration authorities, the armed forces, the...
sub-departments, the general directorates of ministries, the embassies\textsuperscript{17}, the special missions\textsuperscript{18}, the counselors, the special commissioners and offices, which, in a certain way respond to or are controlled by the Government.

Other independent state bodies, such as the Parliament, the national Court, etc., whose actions are identified with the actions of the state itself, are considered as actors of the state.

Other bodies and entities of any status, which operate under the national juridical order, enjoy the possibility to be defined by national law as actors on behalf of the State\textsuperscript{19}.

Finally, even private entities (natural and juridical bodies) may act on behalf of the Government, and consequently of the State, once proved that they are duly authorized to act by sovereign authority under the international public law in the performance of certain actions.

Referring to the natural bodies authorized by iure imperii power, to be mentioned are heads of states (Presidents, Kings), heads of government, heads of ministerial subdivisions or departments (Ministers, especially the Minister of Foreign Affairs), ambassadors, heads of missions, diplomatic agents, special envoys etc.

Referring to the state representation by private bodies, this is the case when a given state government authorizes a juridical private body with a certain governmental (public) function related to the exercise of a sovereign authority. Accordingly, the function exercised by the juridical private body authorized by the government is considered as a sovereign state action. This is the case of certain states, which have authorized some private banks to deal with import and export licensing. In Albania we have the example of a concession given by the Albanian government to a foreign private company for the production of ID cards of Albanian citizens.

4. **State Jurisdiction: How States Exert Jurisdiction**

4.1 *The exercise of domestic jurisdiction*

Usually, a given state, under the domestic juridical order, chooses its own way of exerting jurisdiction through the relevant authorities.

When a state determines that it can exert jurisdiction over certain individuals, estates and events, such jurisdiction should be exerted within the framework of international law. Pursuant to article 2, section 7 of United Nations Chart, the state jurisdiction is somewhat autonomous; however it should not violate some principles of international law such as the protection of human rights, etc. Whether a certain case enters or not a state jurisdiction is a matter of international law. The Permanent Court of International Justice and the International Court of Justice have said their own on such issue\textsuperscript{20}.

The territory is one of the major components of the state as international juridical subject. Under the recognized practice of states in the *Lotus*\textsuperscript{21} case, a given state has the legitimate right to exert jurisdiction within its territory, and it can exert jurisdiction outside its territory once provided by international law.

\textsuperscript{17} Embassies and Consulates are peripheral bodies of Ministry of Foreign Affairs regulated by the Convention of Vienna on Diplomatic Relations of 18 April 1961, ratified by Albania by Decree no. 7164 of 10.10.1987.

\textsuperscript{18} The special missions, protected by immunity, are regulated by the Convention on Special Missions. See the Convention of Vienna on the Representation of States in their relations with International Organizations of Universal Character. For more information see Law no. 9105 of 17.07.2003, "on adherence of the Republic of Albania to the "Convention on Privileges and Immunities of Specialized Agencies" and annexes", article 3, which provides: "The specialized agencies, their property and assets, wherever located and by whomsoever held, shall enjoy immunity from every form of legal process except in so far as in any particular case they have expressly waived their immunity. It is, however, understood that no waiver of immunity shall extend to any measure of execution. The premises of the specialized agencies shall be inviolable. The property and assets of the specialized agencies, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation and any other form of interference, whether by executive, administrative, judicial or legislative action".


\textsuperscript{21} *Lotus Case* cit.
The jurisdiction is mainly exerted on territorial basis. However, this is not the case of individuals who are inside a state’s territory but outside its jurisdiction due to their immunity. There are also cases when a given state exerts its jurisdiction outside its territory. The domestic law mainly regulates the exercise or non-exercise of jurisdiction. A state is free to establish and apply its legislation within its territory.

The criminal jurisdiction of states is mainly related to the sanctioning of certain criminal offences against individuals, estates or events, which have been committed in the territory of a given state by individuals residing in the territory of that state.

The personal jurisdiction (personam), is the authority that a state court has to exercise power over an individual, independently of his country of residence. A given state may establish laws even on its citizens residing abroad (under a foreign jurisdiction), as it is the case of tax collection, or in the matter of foreign investments in that state, etc. An interesting example of the exercise of prescriptive jurisdiction outside a state’s territory is the legislation in favor of free competition (antitrust) in the USA and the European Council.

The subject matter jurisdiction (materiae) is the authority of a court to hear cases related to a specific subject matter.

The bases of criminal jurisdiction are mainly treated in the International Public Law, whereas the civil jurisdiction is mainly dealt with in the private international law of states.

4.2 Criminal jurisdiction

The exercise of state authority in the territory of a given state is the most general rule of international practice. The power to judge individuals, estates and events in the territory of a state is a natural competence of the state, whose authorities determine the applicable domestic law, its application procedures and the manner of application. However, a criminal offence may be committed in two different states, and have consequences that start in one state and end in another (cross-border).

Under article 7 of Albanian Criminal Code, there is a case when the territorial jurisdiction of a state is applied even over foreign citizens. The article provides: “the foreign citizen who has committed a criminal offence in the territory of Albania is responsible under the Albanian criminal laws.

4.3 The principle of citizenship

The rules of citizenship in a given state are provided by the domestic law of that state. The international law determines some important criteria on citizenship. The relation between the individual and the country he/she belongs to is one of the oldest relations ever. The possession of citizenship is associated with some rights and dues of the individual in the relevant country. Such rights and dues typically consist in the right to vote, the due to pay taxes, the due to pay military service inside the armed forces or other forces as well as the due to be loyal to your country.

At an international level, such rights consist in the right of the individual to have diplomatic protection and the due of the individual to behave in conformity with the norms provided by the domestic law.

With reference to Albania, article 6 of Albanian Criminal Code provides: “Albanian citizens are considered all individuals who possess another citizenship in addition to the Albanian citizenship”.

22 The legislation is known as Sherman Act and it is regulated by US Foreign Trade Antitrust Improvements Act 1982 (FTIA).
23 Usually the law on citizenship
A state can prosecute its citizens suspected of having committed crimes anywhere around the world (the so called principle of active jurisdiction as by the nationality (citizenship) of the suspect). Such principle is provided even by the article 17 of the Statute of International Criminal Court, which allows a state to prosecute and submit to the International Criminal Court its own citizen, who is suspected of having committed international crimes.

Such principle has been recognized by those countries, which largely apply it. In Albania, this principle is provided by article 6, section 2 of Albanian Criminal Law: “the criminal law of the Republic of Albania is applicable even to the Albanian citizen who has committed a crime in the territory of another state, when the crime is at the same time punishable and no final judgment has been given by a foreign court”. In general, Albania does not oppose to the application of this principle by other states.

Some countries claim to have jurisdiction over criminal offenders based on some personal relations other than citizenship, such as the long time staying in that country etc. Countries like Albania, Italy and Brasil claim the exercise of criminal jurisdiction under the principle of passive jurisdiction. In other words, they claim jurisdiction over a foreign citizen for crimes committed outside the state’s territory if that state’s interests are affected. The single fact that a citizen is a victim of a foreign criminal offender cannot legitimate the state of the victim to exercise passive jurisdiction over that foreign criminal offender, unless the foreign country where the criminal offence has been committed fails to prosecute the criminal offender.

In Albania, pursuant to article 7, section 2 of the criminal code, the criminal law of the Republic of Albania is applicable even to foreign citizens, who, outside the territory of the Republic of Albania, to the detriment of Albanian and Albanian citizens’ interest, commit one of the following crimes: (a) crimes against humanity; (b) crimes against independence and constitutional order; (c) terroristic actions; (d) organization of prostitution, illicit traffic of humans, children and women, production and illicit trafficking of weapons, drugs, other narcotic and psychotropic substances, nuclear substances, pornographic materials and illicit trafficking of art works and objects of certain archeological, cultural and historical value.

5. Conclusions

As possibilities to exercise jurisdiction extend and aim at having a greater access in justice and a more substantial justice for the concerned entity, at the same time they may present jurisdictional conflicts and tensions between states as well as some difficulties in the application of judgments given by foreign courts.

The domestic jurisdiction is actually exerted by the relevant state authorities. From the international law perspective, the State is represented by its Government in all international relations. The state authorities represent the state itself. They should be more accountable when exerting their jurisdiction, by creating a balance between the demand to access justice and other interests protected by the same principle. The bases of jurisdiction are recognized by international law.

The absence and exclusion of jurisdiction must be balanced with the right sacrificed and the interest protected.

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Activity of the UN Security Council with the Aim of Restoring Stability in Kosovo in 1998-1999

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Abstract

The last ethnic conflict in the Balkans was ended on 10 June 1999. On the same day, the UN Security Council adopted resolution 1244, in which the Security Council announced their decision to deploy international civil and security presence in Kosovo, under United Nations auspices. Taking into account that the UN Security Council is responsible for maintaining international peace and security, there is a question what did the UN Security Council do to avoid the conflict in Kosovo in 1999. The aim of the article is to find the answer to the question why the UN Security Council failed and why the NATO took the leading role in the wake of a deepening conflict in this region.

1. Introduction

At the beginning of the 1990s, Europe did not see Kosovo as a future war zone. Politicians from the Western European countries regarded Kosovo as an integral part of Serbia and an element of Serbian national identity. What is more, in 1991-1997, Kosovo was not directly involved in the Balkan conflict and nobody predicted that this might change in the nearest future. However, in 1992, the European Community attempted to discuss the problem of Kosovo. The Conference on Security and Co-operation in Europe (CSCE) established a mission of long duration in this territory. Their efforts turned out insufficient. In addition, the Kosovo issue was not a part of peace negotiations in Dayton, which ended the war in Bosnia and Herzegovina. It was evident that neither Europe nor the United States did undertake any strong effort to solve the problem in Kosovo, which then was only in its initial phase.

Since the beginning of 1998, the situation in Kosovo had deteriorated. At that time, the province evolved into a zone of widespread fighting between Serbian and Albanian people. At this stage of the conflict, the international community was forced to take action in order to solve the problem of Kosovo. One of the subjects involved in 1998-1999 in the process of stabilization in the province was the United Nations (UN). This article examines the engagement of the UN Security Council in solving the armed conflict in Kosovo.

2. Actions taken by the UN Security Council to stop the violent escalation in Kosovo

The first attempt of the UN Security Council to resolve the problem in the province took place in 1993. On 9 August 1993, the Security Council of the United Nations decided to establish resolution 855. In the document, the Security Council called upon the authorities of the Federal Republic of Yugoslavia to reconsider their refusal to allow the continuation of the activities of the CSCE mission of long duration in Kosovo, Sandjak and Vojvodina. In addition, the government in Belgrade was encouraged to cooperate with the CSCE mission and to increase the number of monitors as decided by the CSCE. The Security Council emphasized that the mission was an example of preventive diplomacy undertaken within the framework of the CSCE and had greatly contributed to promoting stability and counteracting the risk of violence in this part of the Balkans (Resolution S/RES/855). The government in Belgrade did not comply with the provisions of the Security Council. Since that time, this body of the United Nations had not taken any activities with the aim to bring back stability in Kosovo.

Facing the problem of the deepening conflict in Kosovo, on 31 March 1998, the UN Security Council issued resolution 1160. In that document, the Council condemned the use of excessive force by the Serbian police against civilians and peaceful demonstrators in Kosovo, as well as all acts of terrorism by the Kosovo Liberation Army and other groups which supported terrorist activities in Kosovo (Resolution S/RES/1160(1998)). In addition, the Security Council noted with appreciation all the actions taken by the international community with the aim of restoring peace in Kosovo. The UN Security Council, acting under Chapter VII of the Charter of the United Nations, called upon both the authorities in Belgrade, and the leadership of the Kosovar Albanian community, to enter into a meaningful dialogue on political status.
issues, without preconditions. In Article 8 of the resolution 1160, the UN Security Council established an embargo on arms and related materials of all types: weapons, ammunition, military vehicles and equipment. Under this article, arming and training for terrorist activities were forbidden in the territory of the Federal Republic of Yugoslavia, including Kosovo (Resolution S/RES/1160). The Security Council called upon all states and all international and regional organizations to act strictly in conformity with the resolution. In addition, the body decided to create a Security Council committee consisting of all the members of the Council. The committee was established in accordance with rule 28 of its Provisional Rules of Procedures and was responsible for gaining information regarding the actions taken by from all the states concerning effective implementation of the prohibitions imposed by resolution 1160 and making periodic reports to the Security Council on the basis of this information. The Security Council requested the Secretary General of the United Nations to provide all necessary assistance to the committee and keep the Council regularly informed on the situation in Kosovo and on the implementation of resolution 1160. The Security Council stressed that the situation in Kosovo would be reviewed on the basis of reports submitted by the Secretary General of the United Nations. At the end of the resolution, the Council emphasized that the authorities of the Federal Republic of Yugoslavia were obliged to cooperate with the Office of the Prosecutor of the International Tribunal, which had been gathering information related to the violence in Kosovo. The UN Security Council also affirmed that progress in resolving political and human rights issues in Kosovo would improve the international position of the Republic of Yugoslavia, whereas failure in making constructive progress toward the peaceful resolution in the province would lead to consideration of additional measures.

Although resolution 1160 was established under Chapter VII of the Charter of the United Nations, the document did not include a single statement that the situation in Kosovo might be posing a threat to international peace and security. This was probably caused by the fact that resolution 1160 was a compromise between Western states on one side, and Russia and China on the other. The two latter countries avoided being involved in integral issues of the Federal Republic of Yugoslavia. That was the reason why during the voting, the Chinese representative abstained, whereas the Russian ambassador, stressed that Russia had some doubts about this resolution, even though he decided to vote for it.

Resolution 1160 turned out to be insufficient. Even more so, that in spring 1998 the fights among Serbian and Albanian became more intense. The reports of the UN Secretary General stated that the situation in Kosovo was grave. In these circumstances, the international community started considering the possibility of a military intervention by the North Atlantic Treaty Organization (NATO).

The lack of progress in peace negotiations, as well as the deterioration of the conflict, resulted on the establishment, on 23 September 1998, of the UN Security Council resolution 1199. This document included a statement that the situation in Kosovo was a threat to international peace and security. The Security Council expressed its concern about the rapid deterioration of the humanitarian situation across Kosovo. In addition, the Council condemned all acts of violence by any party, and emphasized that violations of the prohibitions imposed by resolution 1160 were still evident. Acting under Chapter VII of the Charter of the United Nations, the Security Council demanded all parties to cease hostilities immediately and maintain a ceasefire in the province. What is more, the Council insisted on the authorities in Belgrade and the Kosovo Albanian leadership to enter into a meaningful dialogue without preconditions and with international involvement. The Security Council of the United Nations also stressed that the Federal Republic of Yugoslavia should have implemented all the measures which were contained in the Contact Group statement of 12 June 1998. In resolution 1199, the Security Council also recalled the obligations of all states to abide the prohibitions imposed by resolution 1160 and called upon them to provide adequate resources for humanitarian assistance in Kosovo. The Secretary General of the United Nations again was obliged to inform the Security Council on the compliance with the resolution.

It should be noted that resolution 1199 did not include a statement of military intervention in the case of the parties do not conform to the obligations. Russia and China opposed the resolution. Russia only supported a political settlement of the conflict and claimed that the actions taken by resolution 1199 were in line with the Russian point of view. China, however, did not use the veto, and instead abstained from voting for the resolution.

Resolution 1199 was a matter of importance. The NATO supported it, especially the United States and Great Britain, who stated that the lack of implementation of this document’s provisions would be a basis for launching a NATO military operation, which was the reason why the international community was impatiently waiting for the report of the Secretary General.

The report of Kofi Annan, who was then the Secretary General of the United Nations, was published on 3 October 1998. Kofi Annan stressed that the report was created based on information provided by the Organization for Security and Co-operation in Europe, the European Union, the North Atlantic Treaty Organization, the Contact Group, and individual states. By taking into account these sources, the Secretary General was able to determine that the situation in Kosovo did not change. In his report, Kofi Annan stated that although in the last days of September 1998 the number of
fights dropped, Kosovo was still a place where hostilities were visible. Fighting in Kosovo resulted in mass displacements of civilian population and destruction of villages (Report of the Secretary General S/1998/912). The Secretary General also noted violation of human rights, including killings and kidnapping, as well as the poor humanitarian situation in Kosovo. On the other hand, Kofi Annan welcomed the conclusions of the National Assembly of the Republic of Serbia. These conclusions were adopted on 28 September 1998 and regarded the resolution of all humanitarian problems in Kosovo. The National Assembly also decided that the Government of Serbia would continue to cooperate with both the International Committee of the Red Cross and UNHCR. In the report, Kofi Annan condemned not only actions taken by the Federal Republic of Yugoslavia, but also all the activities of the Albanian side. The report of the UN Secretary General was not unequivocal. Due to this fact, it was not a sufficient basis for a NATO military intervention.

The signing of an agreement by the United States Special Envoy – Richard Holbrooke and President Slobodan Milosevic on 13 October 1998 was a milestone on the road to stabilization in Kosovo. However, the Security Council decided to establish another resolution. Resolution 1203 was adopted on 24 October 1998. In this document, the Security Council welcomed agreements providing for the OSCE to establish a Verification Mission in Kosovo, as well as an agreement providing the establishment of an Air Verification Mission by the NATO in the province. The Security Council again emphasized its support for a peaceful resolution of the Kosovo problem, which in its opinion would include an enhanced status for Kosovo with a substantially greater degree of autonomy and meaningful self-administration. The Council condemned all the violations of resolution 1160 and expressed its concern about the closure, by the authorities of the Federal Republic of Yugoslavia, of independent media outlets in the Federal Republic of Yugoslavia. In addition, the Council required both the Serbian government in Belgrade and the Kosovo Albanian leadership to fully comply with resolutions 1160 and 1199, as well as to fully cooperate with the OSCE Verification Mission in Kosovo. The Council once again stressed that lack of a peaceful resolution in Kosovo was a threat to international peace and stability. In the article 15 of the resolution, the Security withdrew the embargo on guns and other military materials, which were used by the OSCE Verification Mission in Kosovo. Resolution 1203, also obliged the Secretary General to submit reports to the Security Council regarding the implementation of the resolution. Resolution 1203 turned out to be controversial. The Russian ambassador – Sergey Lavrov – emphasized in a speech that the government in Belgrade made some progress in the process of resolving the conflict in Kosovo. Russia claimed that this resolution did not take into account this kind of progress. What is more, Russia did not agree with the statement that the conflict in Kosovo was still a threat to peace and security. Sergey Lavrov did not support the sentence connected with the problem of free media in the Federal Republic of Yugoslavia. Taking into account these arguments, Russia, as well as China, decided to abstain from casting a vote.

The first report of the UN Secretary General, which was related to the compliance with resolution 1203 and two previous resolutions, was announced on 12 November 1998. The Secretary General of the UN emphasized that:

The accord reached by the President of the Federal Republic of Yugoslavia, Slobodan Milosevic, and the United States Special Envoy, Richard Holbrooke, on 13 October 1998, as well as the agreements signed in Belgrade on 15 October 1998 between the Federal Republic of Yugoslavia and the OSCE, have contributed toward defusing the immediate crisis situation in Kosovo and have created more favorable conditions for a political settlement (Report of the Secretary General S/1998/1068).

However, the report was announced after the signing of the agreement of 13 October 1998. It included some information which was gained by the Mission of the United Nations, and was considered as a significant proof that the conflict in Kosovo had not ended. In the same document, the UN Secretary General did not support the idea of establishing a permanent UN mission in Kosovo. He only stated that, at the request of the Security Council, the UN could establish temporary observation missions which would examine the situation in Kosovo.

Another report by Kofi Annan was announced on 24 December 1998. In it, the Secretary General alarmed that the situation in the province had become more serious. More than 50 persons died during massive attacks in Kosovo (Report of the Secretary General S/1998/1221). Despite the European Union’s and the United States’ attempts to find a solution, there was no progress in the political dialogue.

In January 1999, the situation in Kosovo came to a boiling point. Then, journalists and the OSCE verified the discovery, in the village of Racak, of the bodies of 45 civilians (Weller, 2008), who had been executed – apparently by Serbian forces. The Secretary General, in his report of 30 January 1999, shed some light on the massacre in Racak, claiming that the situation in Kosovo was profoundly serious. In the view of the Secretary General, the conflict in Kosovo was likely to cause an outbreak of civil war in the province. At the same time, the NATO warned both parties that should not political settlement be made, the North Atlantic Treaty Organization would start a military intervention.
On 6 February 1999, the Contact Group organized peace negotiations in Rambouillet. The delegation of Albanian signed the agreement of 18 March 1999; which was rejected by the representatives of Serbia. In this situation, the military intervention of the NATO became a real option. The Security Council of the United Nations could not have adopted any resolutions which would legitimate the military actions supported by the United Nations. The deadlock was caused by Russia and China. These two countries declared they would veto this kind of a resolution, which resulted in the member states of the North Atlantic Treaty Organization claim that UN Security Council resolutions 1160, 1199, 1203, based on the Chapter VII of the Charter of the United Nations and the indications of the threat to international peace and security were sufficient to establish military operations. The lack of a Serbian-Albanian agreement, as well as the further steps of the UN Security Council, resulted in the NATO air campaign in the territory of Kosovo on 24 March 1999.

3. The UN Security Council facing the situation in Kosovo after the NATO military intervention

During the NATO military intervention in the province, the UN Security Council adopted resolution 1239 of 14 May 1999. The resolution had a primarily humanitarian dimension. The UN Security Council expressed its concern about the humanitarian catastrophe in and around Kosovo, which also caused an enormous influx of Kosovo refugees into Albania, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, and other countries (Resolution S/RES/1239(1999)). The Council also emphasized that the states, the United Nations High Commissioner for Refugees, and international organizations, should coordinate humanitarian relief activities in Kosovo. The Security Council called upon the government of the Federal Republic of Yugoslavia to enable the United Nations, as well as all other humanitarian personnel to operate in Kosovo, as well as other parts of the Federal Republic of Yugoslavia. At the end of resolution 1239, the UN Security Council warned both sides that the absence of a political solution to the crisis would continue to make the humanitarian situation worse. The resolution was also adopted, China and Russia abstaining, as the countries decided not to support the humanitarian assistance of the UNHCR and other organizations in the province.

The official military intervention of the North Atlantic Organization lasted until 20 June 1999. On 3 June 1999, Belgrade decided to accept a peaceful settlement. On 10 June 1999, the Security Council adopted, with the support of Russia, resolution 1244. In this resolution, the Security Council decided to deploy international civil and security presence under United Nations auspices. The Council authorized the Secretary General with the assistance of relevant organizations to establish an international civil presence in Kosovo – the United Nations Interim Administration Mission in Kosovo (UNMIK, Mandate). The mission was divided into two components. The NATO was responsible for military issues, whereas the Special Representative of the Secretary General of the United Nations coordinated the civilian component of the mission. The mission was responsible for:

Promoting the establishment, pending a final settlement of substantial autonomy and self-governance in Kosovo, performing basic civilian administrative functions where and as long as required, organizing and overseeing the development of provisional institutions for democratic and autonomous self-government, supporting the reconstruction of the key infrastructure and other economic reconstruction, protecting and promoting human rights etc (Resolution S/RES/1244).

Resolution 1244 also stated that the mission was responsible for facilitating a political process designed to determine Kosovo’s future status. The resolution did not precisely describe the future status of Kosovo. The document did not mention a future independence of the province. Resolution 1244 guaranteed only autonomy for Kosovo, within the Federal Republic of Yugoslavia. At that time, the future status of Kosovo was a question mark.

4. Conclusion

The crisis in Kosovo became turned out as a striking example of the UN Security Council’s weakness. Although the deepening of the conflict in Kosovo happened in 1998, the UN Security Council, by the adaptation of resolution 855 in 1993, proved that since that year, the stability in Kosovo had been in danger. Taking into account the fact that resolution 1160 was adopted in 1998, the Council had been avoiding the issue of Kosovo for almost five years.

The UN Security Council, under Article 24 of the Charter of the United Nations, is responsible for maintaining international peace and security. All the resolutions which were proclaimed in 1998 were the outcome of compromise. Without that compromise, it is highly possible that the Security Council could not have adopted any of them. That was the reason why this body decided not to establish any other form of sanctions, such as economic ones, or restrictions to travel.
In this situation, the NATO member states, while establishing the military intervention, broke the Charter's provisions, thereby making the military intervention illegal in the light of international law.

On the other hand, there is the question what the international community should have done in this kind of situation. Kosovo was a place where human rights were violated. The deadlock in the Security Council caused the spreading of the humanitarian disaster. In these circumstances, the NATO had two options: to break international law, or observe human rights being violated. The casus belli of the Kosovo conflict once again showed that the system of the United Nations requires changes. In contrast, the UN Security Council does not have the practical tools to solve conflicts dividing the permanent representatives of this body.

5. Notes

1 According to Serbs, Kosovo has been their property since the Middle Ages. In the 14th century, all the registered villages inhabited by Albanians were situated in the Western and South-Western Metohija. Only 2% of the whole population of Kosovo was Albanian. See: Gibas-Krzak, D. (2008, 19) Serbsko-albański konflikt o Kosowo w XX wieku. Uwarunkowania, przebieg, konsekwencje. Toruń: Wydawnictwo Adam Marszałek.

2 On 15 June 1389, the Battle of Kosovo Polje took place. As a consequence, most of the Balkan territories were seized by the Turks. This battle strengthened the historical between Serbia and Kosovo.

3 On the other hand, in 1990, in Kacanik, the Albanians from Kosovo decided to accept the Constitution of Kosovo. At the same time, Serbs exacerbated repressions against Albanians in Kosovo, and on 28 September 1990, the new Serbian Constitutional Act abolished the territorial autonomy of Kosovo and Metohija. On 26-30 September 1991, more than a million inhabitants of Kosovo participated in the referendum. 99,87% voted in favor of the sovereignty and independence of the province. Some months later, Bujar Bukoshi became Prime Minister of Kosovo, whereas Ibrahim Rugova was nominated as the President of Kosovo. Since then, Kosovo has been a territory of dual power. See: Koszel, B. (2000, 39). Konflikt na Balkanach (1991-1999) a bezpieczeñstwo europejskie. Poznañ: Instytut Zachodni.


9 Article 8 of resolution 1160, see: Resolution S/RES/1160 (1998).

11 All the states were requested to report to the committee, within 30 days of adoption of this resolution, on the steps they had taken to give effect to the prohibitions imposed by the resolution. The committee was also obliged to consider any information brought to its attention by any state concerning the effective implementation of the prohibitions imposed by resolution 1160.

12 The first report of the UN Secretary General was announced on 30 April 1998. It was based on the information gained by the European Union, the Organization for Security and Co-operation in Europe, and the Contact Group. The Secretary General stressed that the situation in Kosovo deteriorated and that there was no progress in peace negotiations between the parties. All the other reports submitted by the Secretary General on 4 June 1998, on 5 August 1998, and on 4 September 1998, did not mention any further progress in this matter. See: Reports of the Secretary General to the Security Council in 1998, accessed on June 22, 2013 http://www.un.org/en/sc/documents/sgreports/1998.shtml.

13 The Contact Group statement of 12 June 1998 says that actions taken by the security forces affecting the civilian population should be ceased. What is more, in this statement, the Contact Group called upon the government in Belgrade to enable effective and continuous international monitoring in Kosovo, by the European Community Monitoring Mission, and the diplomatic mission accredited to the Federal Republic of Yugoslavia. In this document, the Contact Group also requested the authorities of the Federal Republic of Yugoslavia to facilitate, in agreement with the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC), the safe return of refugees and displaced persons to their homes and allow free and unimpeded access for humanitarian organizations and supplies in Kosovo. See: Article 4 of resolution 1160, Resolution S/RES/1199(1998), accessed on June 22, 1998 http://www.un.org/ga/search/view_doc.asp?symbol=S/RES/1199(1998).


15 On the basis of this agreement on the territory of Kosovo a verification mission of the OSCE and air mission of NATO was launched.


20 The Mission of the United Nations established by the Secretariat of the United Nations which was functioning from 17 to 27 October 1998 in the territory of the Federal Republic of Yugoslavia, including Kosovo and Montenegro. The members of the mission took active part in meetings with the representatives of the Federal Republic of Yugoslavia, and the local leaders and representatives of the Albanian community. The mission also organized consultations with local and international non-governmental organizations and governmental organizations. Due to this fact, the United Nations deepened its role in the Kosovo crisis. See: Report of the Secretary General prepared pursuant to resolutions 1160(1998), 1199(1998), and 1203 (1998) of the Security Council (S/1998/1068).


23 The massacre in Racak was a controversial matter. Belgrade claimed that the individuals killed in the village were KLA fighters who had been killed in an armed engagement. The OSCE asked the European Union to


26 The UNMIK was divided into four pillars: Police and justice coordinated by the United Nations; Humanitarian issues led by the UNHCR; Democratization and institution building, under the OSCE; and Reconstruction and economic development managed by the European Union. See: Rydzkowski, J. (2003, 132-133) Słownik Organizacji Narodów Zjednoczonych, Warszawa: Wiedza Powszechna.


References


Responsibility to Protect – An Emerging Norm of International Law?

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Abstract

As a response to massive human rights disasters that took place in the 1990s, such as those in Bosnia or Rwanda, a new principle of "responsibility to protect" (RtoP) was introduced. The RtoP principle was intended to replace the so-far existing and rather controversial concept of humanitarian intervention and to offer states a legal basis for undertaking military actions in order to protect human rights in states in which those very rights are jeopardized by the regime in power. Being based on the notion that states have, on one hand, the responsibility to protect their own people and that the international community, on the other hand, has the responsibility to offer that protection in case of failure of individual states to do so, the RtoP has brought into question some of the most important principles of international law, primarily those of state sovereignty and of non-intervention in the internal affairs of foreign states. While there has been a consensus among the majority of states and legal scholars that humanitarian interventions have not become the part of customary law, this paper focuses on examining the effect of the new concept of RtoP on international law. It seeks to explore the notion of RtoP and how it differs from humanitarian intervention, as well as to analyze the attitude of states and international bodies towards it. Subsequently, the conclusion on the current status of the RtoP in international law is reached.

Keywords: responsibility to protect, humanitarian intervention, use of force, international law.

1. Introduction

When the UN Charter was adopted in 1945, its drafters believed that it encompassed all the relevant provisions necessary for achieving the goal of “saving succeeding generations from the scourge of war”. At the time the Charter was adopted, following the World War II, states were preoccupied exclusively with the inter-state conflicts. That is why the Charter provisions provided mechanisms which were intended to prevent or fight only those kinds of conflicts. Not only did the Charter omit references to internal conflicts and issues deriving from them, but it explicitly provided that "nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter", except for when the application of enforcement measures under Chapter VII is in question.

However, as the consciousness of the need to protect human rights rapidly grew in the II half of the 20th century, internal matters of states started to become the concern of the international community if they involved human rights issues. As the UN Security Council was often deadlocked by veto when the decision to undertake military intervention in a foreign state had to be reached, the issue of unilateral humanitarian interventions became more and more present. Even though in the last couple of decades there has been quite a significant number of armed interventions which were alleged to be taken for a humanitarian purpose, military interventions by one or more states on the territory of another sovereign state did not by now acquire the status of customary international law. In spite of recognition of a need to somehow address and deal with human rights violations, even if they are committed on the territory of another state, states did not seem to see the answer to that problem in unilateral military actions of one another. Regardless of the flaws in the functioning of the Security Council, a fear of possible abuses of the right to unilateral interventions and a believe that the best way to govern the issue of the use of force is through institutionalized procedures, made states very critical towards particular instances of humanitarian intervention.

The sole fact that a certain action is labeled as a humanitarian one does not mean that it actually is of that kind. Many so-called humanitarian interventions were in fact flagrant violations of international law, undertaken primarily in

2 Article 2(7) of the Charter.
order to achieve some other goals but humanitarian of the state(s) undertaking in. It is thus not surprising that these actions were condemned by the majority of states.

Yet, the fact that abuses of unilateral interventions are possible does not diminish the need to help those being deprived of their rights, even by the use of force if necessary. Following this line of reasoning, the concept of the Responsibility to Protect was born. After the Cold War ended, the beginning of the 90ies was characterized by the temporary euphoria of the formerly warring parties, which reestablished their cooperation. This was particularly seen through the international response in the case of Iraqi invasion of Kuwait in 1991 (Evans, 2001). However, not more than couple of years later, international community inadequately responded to humanitarian disasters of dramatic proportions, such as those in Somalia, Rwanda or Bosnia. The occurrence of these disasters created an impulse in the international community to do something against the repetition of similar scenarios.

2. International Commission on Intervention and State Sovereignty

As there was no consensus between those who, like Bernard Kouchner of Médecins Sans Frontières, argued in favor of the possibility to intervene militarily in a foreign state in order to save human lives, and those who fought for the perseverance of the concept of national sovereignty, seen as a complete inhibitor to any coercive intervention, the UN Secretary General Kofi Annan made a plea to the General Assembly for considering the issue of reconciling the respect for sovereignty on one hand and respect for gross violations of human rights on the other (Evans, 2001).

It was in 2001 that the Canadian Prime Minister Jean Chrétien established an independent body, the International Commission on Intervention and State Sovereignty (ICISS), which issued the Report titled “The Responsibility to Protect”, coining this term in the process (Eaton, 2001). Although the very first sentence of the Report announces that “the Report is about the so-called right of humanitarian intervention”, it aims at introducing the new concept, trying to distinguish it from the classical notion of humanitarian intervention. The Report is built on two basic principles: first, that state sovereignty implies responsibility, and the primary responsibility for the protection of its people lies with the state itself, and second, where a population is suffering serious harm, as a result of internal war, insurgency, repression or state failure, and the state in question is unwilling or unable to halt or avert it, the principle of non-intervention yields to the international responsibility to protect. It was thus the intention of the Report to emphasize that state sovereignty implies responsibility and not a license to kill.

The concept of responsibility to protect, as presented in the ICISS Report, is broader than the one of humanitarian intervention, insomuch as it does not comprise solely the right of states to conduct military intervention, but also their responsibilities prior and post the conflict. The Report thus envisioned three main responsibilities of states: the responsibility to prevent, the responsibility to react and the responsibility to rebuild.

Prevention of conflicts is seen primarily as the responsibility of sovereign states and the communities and institutions within them, which have to put an effort in ensuring accountability and good governance, protection of human rights, promotion of social and economic development and ensuring a fair distribution of resources. However, the conflict prevention is not merely a national or local affair, because the failure of prevention can have international consequences and costs. Quite often, the prevention will be impossible without the strong support coming from the international community, which may come in many different forms, such as good offices missions, mediation efforts, efforts to help address the root cause of potential conflict, etc.

The Report provides for three essential conditions for the effective prevention of conflicts: first, there has to be knowledge of the fragility of the situation and the risks associated with it (the so-called early warning); second, there has to be understanding of the policy measures available that are capable of making a difference (the so-called preventive toolbox); and third, there has to be a willingness to apply those measures (the issue of political will).

4 Synopsis of the Report, supra note 3.
6 The Report, para. 3.2.
7 Ibid., para. 3.3.
8 Ibid., para. 3.9.
When preventive measures fail to resolve the situation and when a state is unable or unwilling to redress the situation, then intervention measures by other members of the broader community of states may be required. The Report recommends undertaking of non-military measures, such as political, economic or judicial measures, if possible. Only in extreme cases should states include military action. Naturally, the question of which cases should be characterized as urgent arose. The Report emphasizes the respect for the non-intervention principle, however it finds that there are situations in which the interest that all states have in maintaining the stable international order requires them to react when all order within the state has broken down or when civil conflict and repression are so violent that civilians are threatened with massacre, genocide or ethnic cleansing on a large scale. There are six criteria necessary for undertaking military intervention set down in the Report: right authority, in sense of possible holders of the right to military intervention, just cause (if intervention is being conducted in order to halt or avert large scale loss of life, actual or apprehended, with genocidal intent or not, which is the product either of deliberate state action, or state neglect or inability to act, or a failed state situation; or to halt or avert large scale “ethnic cleansing”, actual or apprehended, whether carried out by killing, forced expulsion, acts of terror or rape), right intention (the primary purpose of the interventions must be to halt or avert human suffering, and not to, for example, alter the borders, advance a particular combatant group’s claim to self-defense, etc), last resort (military action is allowed if all other non-military means have been explored, although not each of these means must literally have been tried and failed), proportional means (scale, duration and intensity of the planned military intervention should be the minimum necessary to secure the humanitarian objective in question), and reasonable prospects (military action can only be justified if it stands a reasonable chance of success).

Finally, the Report elaborates the states’ responsibility to rebuild, which comes into play after the military action has been undertaken. Intervening state(s) should be dedicated to helping the state in which the intervention took place to build a durable peace, establish good governance and sustainable development, which may sometimes require a prolonged presence of the former in the latter. Providing basic security in that state, including protection for all its members, resolving issues of disarmament, demobilization and reintegration, restoring judicial systems, regulating the return and legal rights of refugees are only some of the tasks that should be done during the process of rebuilding.

The ICISS points out three key advantages of this new concept: first, the shift of focus from the state that holds the right to those in need of protection; second, it emphasizes the primary responsibility of the state whose nationals are in need of help; and finally, it broadens the concept of humanitarian intervention to the all-encompassing management of a humanitarian crisis. The Report aimed at reconciling the protection of human rights and respect for the state sovereignty, establishing thus a new concept of sovereignty – a concept in which sovereignty is seen as a responsibility of state, rather than its right.

Yet, one particular feature of the Report, which arguably represents the core issue of the entire RtoP concept, remained ambiguous. This issue deals with the holders of the right to intervene by military force in order to halt human rights disasters. The Report reiterates the UN Charter provisions regulating the use of force and points out that only two exceptions to the general ban on the use of force – self-defence and the collective action authorized by the Security Council – are provided by the Charter. Since no “humanitarian exception” to the prohibition of force is explicitly provided, the Report points to the paramount importance of the Security Council in resolving humanitarian crisis. Even though the Report elaborates on why the Security Council should be given primacy in authorizing the use of force in situations of gross violations of human rights by a regime of a certain country, the Report rightfully reminds of a fact that there are situations in which the Security Council is either unable or unwilling to act. It therefore poses a question of what should be done in such situations.

Two alternatives to the Security Council have been presented: one is seeking the support for military action from the General Assembly, under the established Uniting for Peace procedures, and another would be pursuing collective
intervention by a regional or sub-regional organization acting within its own boundaries. There is, though, a problem with each of these two alternatives: the General Assembly decisions do not have a binding force upon states, so the resolution adopted on an Emergency Special Session can only serve as a recommendation, and regional organizations should not, according to the Charter, conduct military actions in the absence of the Security Council authorization. In spite of all this, the Report suggests that both military actions undertaken pursuant to General Assembly resolutions and those undertaken by regional organizations might possess the necessary legitimacy.

Finally, the Report elaborates the possibility of individual states or groups of states in exercising the responsibility to protect by employing military force. This represents the crucial issue of the RtoP doctrine – practically all states can agree on the need to protect human rights, but it is much more difficult to reach a consensus on the possibility of undertaking unilateral military interventions. What is actually the conclusion of the Report in this respect is not quite clear. It is not maintained that individual states or groups of states are entitled to conduct military operations, but the Report says that “it is unrealistic to expect that concerned states will rule out other means and forms of action to meet the gravity and urgency of these situations” “if the Security Council fails to discharge its responsibility in conscience-shocking situations crying out for action”. Introduction of the practice of undertaking unilateral interventions would on one hand lead to situations in which they would, without the discipline and constraints of the UN authorization, not be conducted for the right reasons, and on the other hand, should they turn out to be successful and supported by the international community, lead to undermining the credibility of the UN and its purpose. What stands behind these words of the Report is open to interpretations. Was it a gateway towards justifying unilateral actions conducted under the RtoP mantra, or was it just a realistic observation of the state practice, which shows that states tend to conduct unilateral humanitarian interventions in situations they claim that such actions are necessary, regardless of whether they have obtained the Security Council authorization or not?

Although the ICISS quite enthusiastically coined this new and somewhat altered variation of humanitarian intervention, it seems that states were not comfortable to go so far just yet. As will be seen from the analysis of other international documents embracing the RtoP concept, it appears that consensus could only have been reached with regard to accepting the general idea of the need to protect human rights in states with oppressive regimes. But many other questions, such as those concerning the holders of the right to intervene, or those establishing the exact content of the RtoP, have remained open.

3. Responsibility to Protect within the UN system

3.1 The UN High-Level Panel on Threats, Challenges and Change: A More Secure World, Our Shared Responsibility

After the adoption of the ICISS Report, the first time the RtoP principle was discussed within the UN was in the Report of the Secretary-General’s High Level Panel on threats, Challenges and Change. In a way criticizing the UN Charter for declaratory “reaffirming faith in fundamental human rights”, but doing very little to protect them, as well as criticizing the Security Council for being “inconsistent” and “ineffective” in dealing with humanitarian catastrophes, the High-Level Panel saw the idea of responsibility to protect as a means to strengthen the collective security system under the Charter (Stahn, 2007). Similar to the ICISS Report, this Report confirmed the responsibility to protect principle and reiterated both the obligation of each state to protect its own citizens from humanitarian catastrophes, as well as the responsibility of a wider international community when these particular states are unable or unwilling to do so. The Report makes a distinction between the “right to intervene” and the “responsibility to protect”, the latter being the obligation of every state when it comes to people suffering from avoidable catastrophe – mass murder and rape, ethnic cleansing by forcible expulsion and terror, and deliberate starvation and exposure to disease. The reference to the responsibility of “every state” left room for different interpretations – it could, on one hand, be interpreted as a reminder of the erga omnes
obligation of states to protect human rights, and on the other, it might have a broader meaning, under which the responsibility of the host state shifts to every other state when the former is unwilling or unable to act (Stahn, 2007).

An important difference of the High-Level Panel Report in comparison with the one of the ICISS is that it does not provide for any alternatives to the Security Council when it comes to conducting military operations. Instead, it emphasizes the need to strengthen the role of the Security Council. In essence, the High-Level Report brings nothing new by embracing the RtoP concept. It merely confirms an already existing authority of the Security Council to act pursuant to Chapter VII of the UN Charter and authorize states to use force if precondition from Article 39 of the Charter – the existence of threat to peace, breach of the peace and act of aggression – has been fulfilled. However, although there are no novelties in the legal sphere, the significance of the Report nevertheless lies in its attempt to strengthen the responsibility of the Security Council. A primary role in matters concerning international peace and security, which was given by states to the Security Council, should not be interpreted as its privilege, which can be disposed of at will, but rather an important responsibility towards an international community and towards each state as its integral part. This particularly refers to the possible misuse of the veto power by the permanent members of the Security Council, as well as the failure to act out of political reasons.

3.2 The Secretary-General, In Larger Freedom: Towards Development, Security and Human Rights for All

Secretary-General Annan endorsed the concept of RtoP, emphasizing thought that he was “well aware of the sensitivities involved in this issue”. Like the ICISS and the High-Level Panel, he embraced the responsibility to protect as a responsibility which lies, first and foremost, with each individual state, whose primary raison d’etre is to protect its population. But if national authorities are unable or unwilling to protect their citizens, then the responsibility shifts to the international community to use diplomatic, humanitarian and other methods to help protect the human rights and well-being of civilian populations. The Secretary-General thus puts an emphasis on non-forcible means of saving the population in danger. However, if such means should prove to be insufficient, Security Council may out of necessity decide to take action under the Charter of the United Nations, including enforcement action. Like the High-Level Panel, but unlike the ICISS, the Secretary-General Report proposes no alternatives to the Security Council. By doing so, it merely confirms the Security Council Chapter VII powers, but at the same time, by outlining the need to act on the RtoP if necessary, tries to strengthen the sense of responsibility of the Security Council in responding to human rights catastrophes.

In the Secretary-General Report the concept of RtoP was removed from the section on the use of force and placed in the section dealing with freedom to live in dignity, so as to detach the idea of responsibility from an automatic equation to armed force, presenting thus the RtoP not as a surrogate for humanitarian intervention but as a strategy to promote the commitment of all nations to the rule of law and human security (Stahn, 2007).

3.3 2005 World Summit Outcome Document

The World Summit Outcome Document is probably the most authoritative document dealing with the issue of RtoP, as it represents the attitude of more than 190 states participating on the Summit. The text of the Document reflects a lack of consensus among states when it comes to determining the specific content of the responsibility to protect, as well as who is authorized to use force if that should be found necessary.

As in previous documents, the Document envisages firstly the responsibility of each individual state to protect its populations from genocide, war crimes, ethnic cleansing and crimes against humanity. Alternatively, there is a responsibility of the international community as a whole to, on one hand, encourage and help states to exercise that responsibility, and, on the other, to act itself if national authorities manifestly fail to protect their populations from genocide, war crimes, ethnic cleansing and crimes against humanity.

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24 Article 24 of the UN Charter.
26 Ibid., para. 135.
27 Loc. cit.
The emphasis in achieving these goals is put on the peaceful means, such as diplomatic and humanitarian means, which have to be used in accordance with the UN Charter. States also commit themselves to taking collective action, but through the Security Council and in accordance with the Charter, including Chapter VII. Thus, the Document again proves the respect of states for the institutionalized procedures within the United Nations and leaves no room for interpretation that individual states might conduct unilateral military interventions, even those based on humanitarian grounds.

It could not be concluded from the Outcome Document that states are willing to accept the RtoP as anything more than a moral responsibility. As the US ambassador stated prior to the World Summit, the US “would not accept that either the United Nation as a whole, or the Security Council, or individual states, have an obligation to intervene under international law”.29 Other states too – Argentina, Brazil, China, the Phillipines and Russia – cautioned against support for the responsibility to protect (Mohamed, 2012). The legal obligation of states to use force remained only in cases in which the Security Council would, based on the determination of the existence of the threat to peace, breach of the peace or act of aggression in accordance with Article 39, order military action of the UN member states.

As states had divergent views on the RtoP, in the Outcome Document they stressed the need for the General Assembly to continue consideration of the responsibility to protect populations from genocide, war crimes, ethnic cleansing and crimes against humanity.

3.4 Secretary-General Ban Ki-moon Reports on RtoP

Continuing the process of discussing the RtoP principle, Secretary-General Ban Ki-moon issued four reports on this matter: the 2009 Report – Implementing the Responsibility to Protect; The 2010 Report – Early Warning, Assessment, and the Responsibility to Protect, the 2011 Report – the Role of Regional and Sub-regional arrangements in Implementing the Responsibility to Protect, and the 2012 Report – Responsibility to Protect – Timely and Decisive Action. Secretary-General interpreted the Summit Outcome Document as suggesting three pillars of the responsibility to protect:

- first pillar encompasses the enduring responsibility of the state to protect its populations from genocide, war crimes, ethnic cleansing and crimes against humanity;
- second pillar is the commitment of the international community to assist states in meeting those obligations;
- third pillar is the responsibility of member states to respond collectively in a timely and decisive manner when a state is manifestly failing to provide such protection.30

Special attention has been paid to the responsibility of the permanent members of the Security Council, who “bear particular responsibility because of the privileges of tenure and the veto power they have been granted under the Charter”.31 Secretary-General urges them to refrain from employing or threatening to employ the veto in situations of manifest failure to meet obligations relating to the responsibility to protect, as defined in the Summit Outcome Document, and to reach a mutual understanding to that effect.

Secretary-General Reports elaborate different issues related to the RtoP principle: the possibility of its implementation, the need for its further development, the inclusion of regional and sub-regional arrangements in its implementation. In his last Report from 2012, the Secretary-General did not depart from his conclusion presented in the 2009 one, according to which the responsibility to protect must conform to the UN Charter, meaning that it does not alter the existing responsibility of the UN Member States to abstain from using force, unless the use of force is legal under the UN Charter.32 The 2012 Report elaborates the possibility of implementing the RtoP by using measures provided by Chapter VI and VIII of the Charter, whereas forcible measures under Chapter VII can only be employed as a last resort.33 Again, there is no mention of the right of individual states to use force outside of the United Nations umbrella, that is, without the authorization of the Security Council.

31 Ibid., para. 61.
32 Ibid., para. 67.
The responsibility to protect has undergone a series of debates and discussions in the UN system, with no real consensus emerging on the propriety of the principle, except that it should remain a principle and not be codified as any binding legal obligation (Mohamed, 2012).

4. Conclusion – what is the current status of the RtoP?

The inclusion of the RtoP principle in the UN documents shows that it has progressed from the mere idea, expressed in the ICISS Report, towards a possibly emerging norm of international law. Such a development is by some an achievement of the RtoP in itself (Badescu, 2001).

Both UN Secretaries-General, Kofi Annan and Ban Ki-moon, have dedicated themselves strongly to promoting the principle. What adds a particular weight to the principle is its inclusion in the resolutions of General Assembly and even more of the Security Council. The first Security Council resolution which endorsed the RtoP concept was resolution 1674 on the protection of the civilians. It reaffirmed the relevant provisions from the World Summit Outcome Document regarding the responsibility to protect populations from genocide, war crimes, ethnic cleansing and crimes against humanity. This resolution was followed by another one, 1706, which made the same referral to the RtoP principle from the World Summit Outcome Document. The resolution, which demanded the deployment of peacekeeping forces in Darfur, was adopted under Chapter VII of the UN Charter, as well as another one addressing the Darfur crisis. The Security Council continued to invoke the RtoP in its subsequent resolutions under Chapter VII – in resolution 1973 concerning the situation in Libya, and in resolution 1975 concerning the post-electoral crisis in Côte d’Ivoire. Some believe that the invocation of the RtoP in the Security Council resolutions adopted under Chapter VII point to the conclusion that the Security Council, and indirectly the international community as a whole, believe in the legally binding nature of that principle (Matthews, 2008; Nanda, 2006 – 2007). Such contentions are further supported by the fact that the General Assembly, as a universal forum, endorsed the RtoP in its resolution.

The most authoritative document on RtoP is the World Summit Outcome Document, as it represents a standpoint of a large number of states. The Document employed an ambiguous language in describing the content of RtoP. What, however, is certain, from the text of the Document is that states were not willing to either oblige themselves to act in cases of mass violations of human rights, continuing to understand RtoP more as their right than their obligation, as well as that they were not ready to authorize anyone but the Security Council to decide on these issues.

It is possible that RtoP evolves into a hard law obligation, however for the time being it is hard to imagine how the RtoP could overcome controversies which were inherent in the phenomenon of humanitarian intervention. In order for RtoP to become a binding legal norm, it first has to be established what the concept of RtoP actually stands for. Should it be determined that it encompasses exclusively, or among other things, the use of military force, the crucial question remains – who is authorized to decide on the use of force. All the relevant bodies so far agreed that this should be the task of the Security Council. As the Secretary-General himself stated, “the task is not to find alternatives to the Security Council, but to make it work better”. Enhancing the effectiveness of the Security Council, and even the not-so-new idea of reforming the Security Council, might be issues to be dealt with. At this point, however, the question of what should be done in case of failure of the Security Council to properly respond to gross violations of human rights in a certain state, as is currently the case with the situation in Syria, remains. Failing to resolve this crucial issue, the RtoP concept has not gone much further than the one of the contentious humanitarian intervention. At this stage, one thing is sure – no new norm of RtoP has been created so far. It is for the future practice of states, accompanied by the opinio juris, to show whether the creation of a new norm of international law will occur.

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39 GA Res. 63/308.


Decentralization of Social Services - Necessity, Responsibility, Development

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Abstract

This article will present the hypotheses on the decentralization of social interventions in Albania, it will contain proposals and recommendations regarding the most efficient way to use the current financial mechanisms but also innovative proposals regarding the implementation of new methods of integrated social service delivery possibilities. Decentralization of social interventions in Albania is a condition that can fully develop democratic process in the country. The idea of decentralization of social interventions aimed at promotion of a complex cooperation between different levels of government - State, Regions, Municipalities / Communes - to continuously operate to promote wider participation of citizens and social organizations in national and local government elections. Description of the current situation of decentralization, problems, achievements and providing social services in Albania, will be analyzed in this article. Innovative ideas on decentralization to disclose responsibilities, built on rules that make transparent decisions will guarantee the proper use of resources and a careful verification of the efficiency and effectiveness of interventions. Only a democratic process of this magnitude enables intelligent activation and available resources to support the difficult process to build an integrated system of social services. It is required to overcome the perception that social interventions are considered only as an expense but should be considered as an investment in human resources. Decentralization of social interventions - is in fact an "added value" that enables intelligent inclusive and sustainable economic growth1.

Keywords: decentralization, social intervention, integrated system of social services, financial mechanisms

1. Introduction

Profound transformation of the socio-economic policy in our country, in the 90th, made it necessary to undertake social policy, along with economic ones. Social programs were part of the social protection policies, in addition to social care, system of legal protection of workers, collective contracts, etc. The mechanism that was used to change or operating of this policy was inter alia the creation of legislation, ministries, administrative structures and the creation of an efficient system of social care that will not only face the urgent problems of the period, but would resist the time and fit with contemporary standards.

Social policies were oriented towards the creation of a social protection system to achieve a specific legislation, law no. 7710 dated 18.5.1993, "On Social Assistance and Care2" during 1990-2000.

The social protection system includes three main programs managed and funded by the central government, such as the support to poor families, the support of persons with disabilities and the provision of social care services, primarily to residential one, for persons in difficulty and without support. In the above period (1992-1996) was established the

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1 The three adjectives: smart, inclusive and sustainable are taken by the European Strategy 2020.
2 Article 31 of the Law No. 7710 dated 18.5.1993, "On Social Assistance and Care"
policy structure of the Ministry and administrative structures at central and regional level. The first two programs were half decentralized, while the program of social care services was centralized.

The legal framework completed, starts with the Constitution of the Republic of Albania which stipulates that local government is established based on the principle of decentralization of power and exercised according to the principle of local autonomy. (art.13).

After nearly half a century of centralized governance, Albania entered the path of political decentralization in 1992, the first democratic election were conducted in this period. Despite the importance of the political movement towards increased democratic representation, local administrative and fiscal autonomy remained very weak. However, the process of democratization of local government received a boost and began to change with the entry into force of the European Charter of Local Self-Government (ECLSG) on August 1st 2000 as an important and mandatory part of the Albanian legislation.

Another important step is the Decentralization Strategy which is in line with ECLSG and the Albanian Constitution. This strategy was drafted by the National Decentralization Committee and the Expert Group. For the first time, a long process of consultation, took place across the country between various representatives (local government, non-governmental organizations, local community, local businesses, and other stakeholders) that discussed on the strategy, policies and principles within it, trying to achieve even understanding. The international community also gave its full support.

This strategic document was drafted at a significant time to those moments after the local government situation was quite delicate and with many problems: there were no clear definitions of responsibilities and functions but instead, they were very general and it was difficult to remove a dividing line between the responsibilities of local and central government, had significant overlap of functions/responsibilities in many areas, also the inconsistency of responsibilities with the authority to act, especially as a result of lack of financial resources.

This reform includes the contribution and the experience of all stakeholders in this process: Government, local government, civil society, donors and the international community.

Respect of the principle of decentralization is the best choice for the provision of social services and the most suitable for the beneficiaries of services. The implementation of this principle requires a new distribution of tasks and responsibilities between central and local government.

The main objectives of decentralization of social services aimed at: (i) poverty reduction through increased effectiveness of social assistance funds, (ii) quantitative and qualitative fulfillment of the needs of persons with disabilities, children, the elderly, disabled workers and other groups in need, through diversification and geographical expansion of community social services, (iii) decentralization and transfer of powers to local governments for cash payments and the provision of social services, (iv) de-institutionalization of social services; v) the involvement of civil society and public and private operators in the provision of social services in the community.

Under the 2005 legislation, the responsibilities of the structures are, Ministry of Labor, Social Affairs and Equal Opportunities MoLSAEO: (i) develop policies, designs strategies, national legislation, authorizes service providers, prepares standards and criteria of social services, while local government units, (ii) receive new powers for the administration of residential social care institutions, establishment and administration of services and their financing.

For the implementation of the decentralization process, interventions are undertaken in two directions;

2. The transfer of residential service centers under the local government units.

This initiative preceded by the entry into force of Law no 8743, dated 22.02.2001 "On the estate property of the state", as

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5 “The national strategy of decentralization and local autonomy”, DCM No. 615, dated 2/11/2000
8 The decentralization process is based on law no. 8652, dated 3107.2000 "On the organization and functioning of local government" and the Law no. 9355dated 10.03.2005 "On social assistance and services", as amended, which precedes the division of powers between central and local government.
9 Social Protection Strategy 2007-2013, approved by DCM no.80 dated 28.01.2002, as amended
amended, which regulates the rights of the State. The Law 8744, dated 22.02.2001 "On the transfer of estate public property to Local Government Units" as amended, provides too:
- estate properties to be transferred to the ownership or use of local government;
- regime of property rights, and
- administrative process of identifying property, listing, research and transfer and timetable for the various stages of this process too.

Transfer of residential social service institutions in the administration of local units create the opportunity for starting the process of a transfer of competencies and services at the local level along with property transfers from the central to local government administration, delegation of funds from MoLSAEO from the beginning of the year for each local unit, transfer of staff under the municipality administration. The transfer of services and competencies, carries with it the obligations arising from the law no. 8744 dated 22.2.2001 for the institution maintaining destination, ownership of facilities and services, destination of funds under the approved staffing etc.

In these conditions:
- Local government units\textsuperscript{10}, take all the competences for the management and delivery of services, beneficiaries acceptance in the institutions according to the needs and capacity of the institution, recruitment and appointment of staff etc.;
- State Social Service SSS as executive institution retains responsibility MoLSAEO only institutions that remain in his administration that provide services nationally;
- SSS, programs the needs for funding the normal functioning of institutions transferred to local governments; Inspect the implementation of quality standards and services Audits use of delegated funds from the central budget.

Also, this initiative was supported by fiscal decentralization system which can be defined as the most successful in the area of decentralization. The main objective of fiscal decentralization is to increase efficiency in the delivery of public services including social care. This objective can only be achieved if local governments were guaranteed secure income and a real degree of autonomy so that expenditure priorities can be planned and strictly enforced.\textsuperscript{11}

For the first time, the concept of unconditional transfers to local governments was used in the Law on State Budget 2001. Local government has full discretion in the use of funds for common functions and its functions. In the Law on State Budget the concept of unconditional transfers were distributed on the basis of a specific formula.

3. Deinstitutionalization of residential social services

Deinstitutionalization as a process of transition from residential services to the services closer to the biological family, family home model, began to apply for services to children.

Although these services are with a lower cost, compared with the typology of residential services, they guarantee the highest quality of services, convenience, respect of the rights of the individual and better family conditions for children welfare. Consolidation of services established and further development of this model remains a challenge for the future.

In general, in the area of benefit: local governments will provide services on the benefit of the local jurisdiction \textsuperscript{12}, while the central government will provide services that include a national benefit field (as: monetary policy, national defense, planning and aggregate development, foreign affairs and trade, justice and security).

In Albania many of the national public services (as: compulsory military service, issuance of passports, some police services, consumer protection services, tax administration, treasury system services, statistical services, data collection and their distribution) are provided on decentralized basis\textsuperscript{13} nga agjencitë e pushtetit qëndror të ndodhura në territor, from central government agencies situated in the territory, while others may be attributed to local governments as delegated competencies and functions \textsuperscript{14}.

Without underestimating the potential of new policies undertaken so far in Albania in the field of social interventions, which show the ability to operate in a decentralized way, it seems necessary to create a map of the

\textsuperscript{10} Law no. 8653, dated 31.07.2000 "On the administrative-territorial units of local government of the Republic of Albania", as amended, Local Governance in Albania is organized in two levels of government.

\textsuperscript{11} World Bank Analytical Report "Albania, Decentralization in Transition", August 2004

\textsuperscript{12} The principle of subsidiarity

\textsuperscript{13} Deconcentration means the horizontal transfer of power

\textsuperscript{14} World Bank Analytical Report "Albania, Decentralization in Transition", August 2004
outstanding problems in the system of social interventions in Albania. Identifying these problems is actually the starting point for identifying the structure of decentralization that we want to achieve.

The system of social interventions in Albania is concentrated in a centralized system. Planning of measures and disbursement of funds by MoLSAEO, is implemented through the state institution SSS which is an executive institution for the implementation of legislation\textsuperscript{15} and social policies of economic assistance scheme.

Albanian territory is divided into areas with high population density (such as the Municipality of Tirana), and in the center of the region with an average population and a large number of small local government structures that are present in rural and in mountainous areas.

Recently is thrown the idea to reduce the number of existent regions. It is responsibility of the Prefect the coordination and cooperation between central and local government. The Prefect\textsuperscript{16} is the only institution that verifies the validity of administrative acts of the institutions of local government at region / municipal level.

Regions and their councils are 2nd level bodies, formed by representatives of local government. Local government may delegate their functions, but till now there are no such experiences in the field of social interventions.

Regions work in the field of social intervention through "Committee for Assessment and Planning of needs"\textsuperscript{17} and "the Section of assistance and social services."

Perform the function of coordination, data collection and planning of social interventions. Currently, professional human resources available to the department of social services assistance are very "few".

Local governments operate in the field of social interventions, primarily with the delivery of economic assistance. Restricted funds for economic assistance, payments for people with disabilities and social care, are funds by the MoLSAEO therefore included in the budget of the Ministry.

These funds are delegated to local governments that assess needs and make payments of economic assistance, persons with disabilities.Economic assistance funds are cash conditional funds to families in need, as well as and conditional funding for the community work and services. Only a small number of local governments manage social services mainly from the projects from "international donors".

Given this situation, despite the aforementioned decentralization process, are identified several "key problems" that seems mandatory and necessary to intervene:

1. The Centralized system currently in Albania, which is not pursuing an effective cooperation between different levels of government, provides social interventions aimed primarily at "the ratification of the damage" not that of promoting active inclusion.
2. The system of governance at national, regional and local level includes "donors" and European partners and international organizations but not Albanian social, cultural, economic and business organizations.
3. There is not a certain program to promote active participation of Albanian citizens.
4. Financial resources allocated for social intervention by the Albanian State are scarce and unreliable because it relates to a funding mechanism that determines the annual budget available. Professional resources available for system interventions are scarce and mainly attributable to the centralized system.

The Republic of Albania is pursuing the creation of a "Community Welfare" which provides a gradual approach to access to social services for all Albanian citizens. Priority interventions are for the benefit of persons and vulnerable groups.

This objective is already present in the Albanian legislation - paragraph 2 of Article 1 of Law 9355/2005 - which requires "reducing poverty and exclusion for individuals and families, as well as create opportunities for their integration through the provision of a system of interventions and services to improve their way of life."

Reorganization, expansion, training of an integrated and decentralized network of social services, health, educational, cultural, vocational training, employment, housing, are presumed valid condition for inclusive and sustainable development of the country.

Decentralization of social interventions is assumed as a valid condition for fully rooted democratic process, through the promotion and affirmation of citizen participation and Albanian social actors in national and local government decisions.

\textsuperscript{15} DCM no. 542 dated 27. 07.2005 "On the approval of state social service status".
\textsuperscript{16} Law No. 8652, dated 31.07.2000, "On the organization and functioning of local government"
\textsuperscript{17} DCM. 563, dated 12.08.2005 "On the determination of the district responsibilities related to the delivery of social care services"
Decentralization allows local communities to take many decisions rather than central authorities, in order to promote good governance, economic development, efficiency of delivering public services and to satisfy the interests of different communities.

In finalizing the separation of functions, actors must maintain a clear distinction between the types of modalities of decentralization.

Local governments will have responsibilities to citizens. Usually government services are designed by following the method "inside-out", they reflect the structures and procedures, designed mainly from the perspective of the internal service provider rather than as a complement to the needs of citizens. Establishment and implementation of the standards of services used as an instrument to satisfy the demands of citizens with the services provided by the institutions of central and local government. Standards of services are usually based on the needs and expectations/what citizens expect are considered as defining principles of services. Increasing citizen’s satisfaction is one of the key parameters to measure the success.

To pursue these goals, the decentralization of social services should fully activate consultation between the State, Region and Local Government in accordance with the principles of subsidiarity, cooperation, effectiveness, efficiency, cost-effectiveness, uniformity, funding etc. 

To the Albanian public institutions belong the role of "Leading" the system of social interventions, planning and organization of social interventions, monitoring and verification of the results obtained, to ensure that within their competences the Albanian public institutions promote at all levels the role of social, cultural, and economic actors and donors, in order to harmonize their concrete and effective consultation in design and implementation of an integrated system of interventions, to predict that Albanian public institutions at all levels should promote the active participation of citizens in terms of identification of needs, priorities to chose, the operation of services and assessment of their results, to ensure that public institutions at all levels prepare actions for the creation and support of social enterprises; to ensure that public institutions at all levels will prepare actions to increase the contribution of volunteers in the provision of social services.

In this context, we propose that local government should carry out the following activities: on the planning, design, implementation of local systems of 'social service', the indication of priorities and innovation sectors. These tasks should be carried out in consultation with the social actors of the territory with the activation of permanent instruments of the comparison. Municipalities exercising such activities should prepare "three-year programs of social interventions", with its appropriate funding. Program schedule must be submitted for opinion to NGOs, donors and international collaborators operating in their territory, in order to activate and develop all possible synergies for the implementation of this program.

The relevant funding programs must be approved by the Municipal Council and the results should be reported and compared year after year, pilot projects provide for the active participation of citizens in the reading needs, to select priorities, service operation and evaluation of results to their promotion of volunteerism and reading needs and preparing management services to support actions to create social enterprises and training, authorization, licensing and supervision of all social structures and services within their territory, based on criteria and guidelines established by the national authority. If they are not able to perform this task they should delegate this function to the Region to participate in the procedure for identifying different areas of network services that will be determined at the regional level, to coordinate the programs and activities of institutions operating public services within the network (eg health, education, vocational training, etc.) in order to achieve an operational connection through services, to provide services and make active the economic assistance scheme through activation of funds through work in the community. To provide economic assistance it is obligatory the opinion expressed by the Regional Council; fees apply provided for users who benefit from the services, on the basis of criteria established at the regional level.

Regions, exercise the functions of planning, coordination and management of social interventions also monitoring their implementation at the local level, regulation and integration of social network interventions. These tasks are performed through consultation with the stakeholders of the social territory with the introduction of benchmarking tools. Regions exercise the functions assigned to them by "three-year social intervention programs" set in collaboration with local government, prepared with its own funds.

Programming scheme is presented for an opinion from NGOs, international donors operating in the territory, in order to activate and develop all possible synergies for the implementation of this program. Programs are subject to approval by the Regional Council and the results should be reported and compared year after year.

Meanwhile, the role of the Regions should realize the determination of integrated policies in the network and in agreement with the local government for the territorial delineation of social interventions, in order not to be inconsistencies and overlap; definition, based on the minimum requirements set by the State of the criteria for accreditation, authorization and supervision of structures and services and eventual exercise of those functions delegated
by the local government; establishing criteria for setting tariffs for people who benefit from these services; assessment based on the requirements set out by the state, of the local government proposals Municipality about providing economic assistance; preparation of programs and provision of appropriate funds for the training and retraining of personnel involved in social activities; preparation of programs and provision of appropriate funds for the development of volunteering and to support the creation and qualification of social enterprises.

While State powers belong to the direction, coordination and control of social policy, namely: the definition of social policy objectives through the three-year program of social intervention. The content of the program will be sent for opinion of the social actors and national representatives, NGOs, donors and international collaborators, in order to activate and develop all possible synergies for the implementation of this program. The content of the program will be sent for opinion to the Parliament and the results should be reported and compared year after year, determining of the essential and uniform level to ensure, through intermediate stages social assistance and benefits for the Albanian citizens, the minimum structural and organizational conditions for the authorization in services and social structures, the definition of conditions and professional profiles in the field of social professions; definition of a minimum number of indicators of social data collection, in which should participate the Regions in agreement with local government; distribution of National Fund for Social Policy.

As a conclusion of the above analysis can affirm that the current performance of the process of decentralization of social services, in addition to the above positive achievements that each central, regional and local level have their clear duties, role and functions (based on the full legal framework), there have been negative fluctuation or variations aspects that can be reviewed, such as the administration of social services provided in residential social care institutions that have passed in the ownership of large municipalities.

But these reforms show that the decentralization process is dynamic and is in its consolidation phase. Some of the issues requiring solutions: the unclear role of the Region as a unit of the second level of local government, the lack of efficiency in delivering services, missing of the inter-local planning, lack efficiency in providing coordination in different forms and levels of planning, full transfers of financial competencies and resources for capital investment. These issues are closely linked to the principle of subsidiarity and regional development approach to domestic needs.

First instruments on the reorganization and decentralization of social interventions, are "three-year programs of social intervention", prepared at the national, regional and local level (in single / joint / or decentralized form). Such programs should absolutely contain proposals for financing them so they do not become "a program with good intentions, but short-lived".

Promotion of social enterprises and cooperatives will be a new alternative way to social services. The above proposed interventions shows an approach to the countries in the European Union with regard to the evolution of the process of decentralization that should also oriented towards a universal service approach (European Commission 2006/2007). To meet this challenge, were identified measures such as quality assurance and involvement of beneficiaries (users), services provided by the private sector along with the development of public-private partnerships to supplement public funds. These new approaches result in the recognition of the role of "social economy" that includes the supply as non-profit social cooperatives and other types of social enterprises.

It is necessary to undertake a comprehensive assessment of the nature and objectives of regional social services. This assessment should: give current services that are close to people, meet vital human needs, particularly the needs of vulnerable social groups. In the best case social services (European Commission 2007) should provide protection from the hazards of life, assist in personal challenges or crises, they are provided to families in different social situations, for their support in caring for children, elderly, and people with disabilities, they should guarantee basic human rights and contribute to non-discrimination, gender equality, health protection.

Another proposal regarding clarification of shared competence has to do with central government funding. In some cases it is not specifically defined the power of each authority, it brings, that some of these powers (social services) remain unfunded by the central government and as a result unrealised. Services should be characterized as an asymmetric relationship between providers and beneficiaries, this is a different relation from that between merchant and commercial suppliers. Services often include the local and cultural tradition to suit the needs of the beneficiaries.

Service providers have the need for a greater autonomy to address the wide varieties of social needs, given that social services are driven by the principle of solidarity and depend heavily on public funding to ensure equality of access of wealth or income.

Developing of personal budgets, or preparation of different packages based on the costs for beneficiaries, will enable the selection of the quality of social care services. This initiative will make this area more competitive and will encourage the maintaining of the quality of care.
Increasing and (the lack) of local government management capacity is often used as a pretext to delay the exercise of (transfering of) responsibilities. Currently, the staff of local government bodies is trained and this excuse can not be used any more. More than lack of capacity, there is often weakness in job place financing.

Creating of a nationwide management system of social services will enable better identification and assessment of needs, to promote awareness of the rights and facilitate the development of specialized direct services. It will also expand the access to services, especially for vulnerable and marginalized groups. Non-profit organizations, community groups, social business will be partners in this process. Creating a nationwide management network of social services, summarizes the procedures and methodology that will be used at central and local level, for providing multifunctional integrated social services for vulnerable groups at the national level.

To meet this challenge, have been introduced measures such as establishment, quality assurance, and the involvement of the beneficiaries, decentralization of services at local or regional level, external services of private sector and the development of public and private partnerships to meet public funding.

These proposals should be reflected in the new Strategy on Social Protection and Social Inclusion 2013-2020, as the entire completion of the decentralization process associated with the financial mechanisms.

All these approaches in Albania have found their place in the new strategies that the government is drafting in favor of decentralized social service delivery.

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Modality Analysis of the Newspaper Articles about the Scottish Ship RMS Queen Elizabeth

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Abstract

Newspaper articles are commonly devoid of any authorial presence as they normally attempt to provide the aura of objectivity (McCabe and Heilman, 2007, p. 148). Bearing this in mind, this study was conducted to examine the traces of authorial subjectivity in four categories of news articles published in Scotland. These articles were published in 1938 in three news broadsheets. The traces of authorial subjectivity were analysed from the use of modal verbs by the authors. I am particularly interested in examining the modal markers through the use of modal verbs that writers use to inject their subjective voices into the texts with the purpose of 'entertaining' dialogic alternatives with the readership. To serve this purpose, the appraisal framework propounded by Martin and White (2005) and Halliday's (2004) notion of Mood and modality system were employed in the analysis of the resources of 'engagement'. In the lexico-grammatical analysis of the newspaper articles, it was found that the Mood and modality systems expressing the interpersonal meaning of the texts were present in both independent clauses and dependent clauses in all four categories of news in the corpus. It was also found that all the clauses are in the declarative, suggesting an informative nature of the texts. In addition, the news writers also employed numerous modal verbs in presenting their subjective authorial positioning in the otherwise neutral journalistic texts.

Keywords: modality, authorial subjectivity, modal verbs, interpersonal meaning

1. Introduction

An author may choose to deliver his/her intended message from various grammatical tools in the written language (McCabe and Heilman, 2007, p. 139). Newspapers is one of the discourse texts in which real-world events are enacted through linguistic choices made by the reporters or journalists. The unfolding of the re-constructed text in the journalistic discourse involves the deployment of linguistic choices at multiple turns and levels (McCabe and Heilman). Systemic Functional Linguistics (henceforth SFL) proposed by Halliday (1994), views language as a social semiotic resource used by people to express meanings in context. SFL allows the analyst to explore how the linguistic choices interact with the social context to fill the texts with the expressed meanings. Among the assumptions of SFL is that language serves three main purposes:

- the experiential or ideational metafunction, through which language users express their views of the world;
- the interpersonal metafunction, through which users establish and maintain social relationships; and
- the textual metafunction, through which the two previous metafunctions are combined and organised for effectively coherent discourse flow.

An extension of this theory is the Appraisal Framework proposed by Martin and White (2005). According to Martin and White (2005, p. 34), appraisal is one of three major discourse semantic resources construing interpersonal meaning, the other two being involvement and negotiation. The system is divided into three interacting domains - 'engagement', 'attitude', and 'graduation' (see Figure 5.1). Attitude concerns feelings, which include emotional reactions, judgement of behaviour and assessment of things. Engagement deals with the sourcing of attitudes and the play of voices around opinions expressed in discourse. Graduation attends to the grading of phenomena whereby feelings and emotions are intensified and categories are obscured. My focus is on the sub-category of Engagement called ‘Entertain’. The Entertain sub-system of the Appraisal framework views authorial locutions not from a truth-functional perspective but from one that sees them as heteroglossic backdrops for the text which emphasise writer's individual subjectivity (Martin and White, 2005, p.105). The Entertain system shifts the focus that drives a text's communicative purpose from being merely 'informational reliability and epistemic status' to one that emphasises the writer's intention of making explicit subjective assessments of the propositions made. The dialogic expansion tools, such as modal verbs, are designed to execute
locutions, which actively construe a heteroglossic backdrop for a particular text by injecting the author’s subjective voice or stance into the proposition. Working from the premise that makes authorial dialogistic positioning the primary determining motive in a proposition, this research was aimed at exploring how the reporters used modal verbs to express their dialogistic voices in the propositions in the news articles with the purpose of ‘entertaining’ dialogic alternatives with the readership.

2. Aims of research

This study was conducted with the aim of identifying how the nine core modal verbs in English were being used to express authorial subjective voices in the news articles in the corpus.

3. The corpus

The materials in this corpus revolved around a single event, the launch of RMS Queen Elizabeth, a ship built on the River Clyde in Scotland in 1938. The original texts are kept in the University of Glasgow Archive. These texts formed the electronic corpus in this study comprising 37 newspaper articles which were written by anonymous reporters who focused on the grand Scottish ship and the details of her launch. These reports were drawn from three different sources: The Glasgow Herald (14 issues), The Times (19 issues), and The Scotsman (4 issues).

4. Related literature review

Arrese and Perucha (2006) studied the Engagement system in relation to writer stance and to the dimension of subjectivity and inter-subjectivity in English journalistic commentaries and news articles using a refined version of Martin and White’s (2005) model. They identified the presence and patterning of the various linguistic resources for the expression of evaluation in these subgenres of journalistic discourse, and established comparisons across language. Their research revealed that whereas journalistic commentaries were clear representations of writers’ subjective evaluations and of writer-reader inter-subjective views, news tended to rely on external voices as sources of authority and knowledge. They also found that ‘hard’ news would represent the extreme position with almost a total lack of expressions of dialogistic positioning (Arrese and Perucha, 2005, p. 246).

Pounds (2010) conducted a study of fourteen hard news articles in English and another fourteen in Italian imbued with negativity for traces of subjectivity in reporting using Martin and White’s (2005) Appraisal Framework. Her study found that British hard news reporters appeared to be distant from the facts reported while the Italian reports made more frequent references to the emotive impact of the events on the participating parties (mental and affectual responses and source of attribution) (Pounds, 2010, p. 121). Her analysis of the sub-system in the Engagement system found the Italian reports to be abundant with expressions of uncertainty (perhaps, maybe, possibly . . .).

By investigating resources for Attitude and Engagement in their analysis of a Vietnamese hard newspaper article, Tran and Thomson (2008) demonstrated how a negative portrayal of the US government by the reporter was achieved. Their findings suggested that Vietnamese hard news reporters overtly expressed their subjective assessment of propositions in their reports. Through various expressions of inscribed evaluation and supportive authoritative voices, the reporter had successfully voiced his/her disapproval of US foreign policy. The reporter in their study utilised various compelling voices to endorse his/her authorial position for example, for the American Upper House Committee on Military Force, the commanding division of the American troops in Iraq, and so on.

All of this research has shown insightful findings about journalists’ engagement with their readership. However, these studies dealt with modern news materials. The present study, on the other hand, focused on the use of modal verbs by the writers of the historical journalistic texts in this corpus to convey their dialogistic positioning with the readership in the 1930’s.

5. Methodology

The modality analysis in this study focused on analysing the writers’ treatment of the proposition they made in the articles via the study of the use of modality markers as tools of authorial stance. This was done by identifying the Mood choices found in both independent and dependent clauses in the news articles. The analysis also included the identification of the tense elements realised through the Finite of each clause (Gonzalez, 2008, p. 28).
The foci of the study were the ship and the events revolving around its launch. Therefore only the occurrence of the resources signifying authorial presence and subjectivity in the texts via a dialogic expansive device termed as Entertain, a sub-system within the Engagement framework was emphasised. The use of the nine core modal verbs i.e. ‘will’, ‘would’, ‘can’, ‘could’, ‘shall’, ‘should’, ‘may’, ‘might’ and ‘must’ as modality markers with which this sub-system works was given the major attention.

6. Findings

The following explanations about the nine modal verbs which appeared in the texts include examples to show their use as tools of authorial positioning in the corpus of news articles. All clauses in the articles were in the declarative mood choice. The use of the modal auxiliary ‘will’, which was a median probability or likelihood marker marked the writer’s degree of certainty regarding the proposition made in the clause. The modal operator ‘could’, in contrast, was a resource indicating the writer’s endeavour to engage the readers dialogically in the interaction by overtly voicing his subjective stance, acknowledging the fact that his view may not be shared by every reader. The modal ‘could’ placed the proposition as one of the many propositions in the present communicative context. The example below is taken from the first paragraph of one of the articles.

a. Electrical energy will be so extensively employed in the Queen Elizabeth that apart from her propelling machinery, steam turbines, she could be described as an all-electric ship.

As shown in the example below, the writer used the median scale modal verb ‘should’ to express the importance of the matter in the proposition.

b. The selection, purchasing, and storing of the vast quantity of perishable foodstuffs and groceries required to provision any other of the Cunard White Star ships, and in due course the Queen Elizabeth, are matters of special interest, since the short time the vessel may be in port, the large number of passengers carried, and the quality of the menus are factors which necessitate that these several affairs should be conducted with expert knowledge, great expedition, and scrupulous care.

As shown in example 6b above, ‘may’, a low median probability marker, was used to indicate the author’s median degree of certainty in the proposition he was making regarding to the duration of the vessel berthing at the port. The use of the high value modality marker ‘must’ in example 6c below suggested a strong obligation for the operation of certain technical processes to provide comfort to the passengers. Neither modal verb, however, was deployed as a marker of authorial positioning. This was because the propositions did not involve the readers in a mental debate with the authors as they were merely descriptions of factual and technical procedures.

c. Further, since the great majority of these deck areas are to be used for passengers spaces, in circumstances which make it desirable that some smooth-patterned material shall serve as a background for carpets or rugs, an “under decking” must be laid direct on to the steel, the purpose of this being to provide a flat, even resilient surface...

However, the modal ‘must’ in example 6d below, on the other hand, indicated a strong degree of authorial assertion here with regard to the proposition he was making in the text.

d. For the present, it must serve to state that to ensure that two vessels approaching one another on courses....

In examples 6e below, another marker of authorial positioning is shown through the use of the modal ‘might’ where the writer injected his personal assessment in the proposition.

e. Special mention might be made of the air preheating sections of these boilers...

The modal ‘would’, which appeared twice, carried the function as an authorial tool of positioning as shown in example 6f below. Here the author is seen as engaging the readers dialogically by inserting his personal assessment in the proposition.

f. It would therefore be difficult to guess the speed capabilities of the Queen Elizabeth when she is completed.

The low value modality markers ‘can’ (examples 6g below), indicated the reporters’ weak attempts to entertain the dialogic alternative positions of the readers in the message who may not share his viewpoint on the proposition, namely the pressing need for the construction of a liner as great as the RMS Queen Elizabeth.

g. For the proper maintenance of the two-ship service, however, as Sir Percy Bates has stated, liners are needed that can steam twenty-seven1/2 knots, and the provision of a companion vessel capable of that speed could not be long delayed.
7. Discussion

The analysis of the Mood and modality in the texts showed that all the clauses were in the declarative. Based on the assessment of the Mood blocks in the texts, which formed the interpersonal perspective and were central to the arguability of the clause, the declarative mood choice were statements offering information that were construed by the writers as not likely to be challenged by its readership. Despite being categorised as hard news articles, which are typically claimed to be objectively written (Bell, 1991), the reports in the corpus were imbued with the authors’ subjective assessment of the propositions.

The presence of several modal markers signifies the author’s subjective assessment of the message made by engaging readers in the communicative context. The use of modal verbs allows the writers to engage the readers dialogically in the subjective assessment of any proposition. The past and past perfect tenses were used to simply describe occurrences initiated and completed in the past while the present tense indicated the current and immediate affairs of interest. Occasionally, the future form of the verb was used to indicate future planned activities.

In general, my findings did not coincide with Pounds’ (2010, p. 121) research that found British hard news reporters to be distant in the delivery of propositions as opposed to the Italian reporters. Her conclusions about the authorial distance in the British hard news articles were not reflected in my findings. This may be attributed to the difference in content or Field of the sets of data. My corpus reported on the highlights of a product’s features and events surrounding the launch of a ship with lavish use of authorial positive assessments of the news items while Pounds’ study dealt with reports of unfortunate events. Another possible factor was due to the changes of reporting style over time. The reporting style of today’s journalistic texts may not be applicable to my data due to the differences in the values upheld by the community of reporters in both eras. Due to the historical nature of my data, it was possible that the reporting style found in my analysis may have been a common journalistic writing practice at that time. However, the diachronic changes in reporting style were not within the scope of this research and were not discussed in depth here.

8. Conclusion

The lexico-grammatical investigation has shown that the writers were dependent on various modal verbs to mark their presence and expressions of dialogistic positioning while simultaneously engaging the readership in the propositions. However, it is also important to note that some of these modal verbs function mainly as indicators of possibility, ability or permission. This suggests that the modal verbs in the journalistic texts in my corpus were used for various functions. Although this study did not focus on the use of evaluative language in the texts, the newspaper articles in my corpus were filled with a generous amount of expressions of praise and admiration for the ship. This was evident from the reporters’ favourable assessment of the subject matter from the abundant positive evaluative adjectives. The findings here echoed Pounds’ statement that all journalism was ultimately opinion journalism in that it was always possible to detect signs of authorial stance even in so-called ‘hard-news reporting’ which was clearly marked as such, e.g. by ‘news’ or ‘report’ in English (2010, p. 107).

References

The Evaluation of Ecological Economy Based on Eco-efficiency Ratio

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Abstract

Ecological economy means the energy conservation and emission reduction. How to measure and evaluate the regional ecological economy is an important problem which should be solved immediately. This paper proposed the eco-efficiency ratio based on the ecological efficiency to evaluate the current situation of the ecological economy in Jiangsu province and to analyze the efficiency of the Ecological economy in Jiangsu and other provinces, compared both advantages and disadvantages. And then this paper put forward some advices for the government to formulate the correct development policy of ecological economy, to improve the technology innovation capacity and the efficiency of resource allocation.

Keywords: Eco-efficiency ratio, Jiangsu, China, Ecological economy

1. Introduction

"The earth can meet the needs of the human, but cannot satisfy the human greed." said by Mahatma Gandhi. Since the industrial revolution, human have been greedily pursuing the economic development and the material needs, endlessly using fossil energy and letting the Carbon dioxide emission alone. People gradually put themselves from the agricultural "original" low carbon economy system into the industrial "high carbon economy" system, and now they face an awkward dilemma of the global warming. So they proposed the ecological economy development concept. Ecological economy refers to the low energy consumption, the low pollution and the low emission which can make the economic and social development and the ecological environment protection to achieve a win-win result through the technical and system innovation, as well as the industrial transformation and the new energy development under the guidance of the sustainable development.

2. Methods of ecological economy evaluation

2.1 Ecological efficiency

Ecological economy means the energy conservation and the emission reduction. How to measure and evaluate the effect is an important problem in the specific practice process which has to be solved immediately. So the domestic scholars generally introduced the concept of ecological efficiency index.

2.1.1 Ecological efficiency model

\[
\text{Ecological Efficiency} = \frac{\text{the value of your products/services}}{\text{Environmental Influence}}
\] (1)

"The ecological efficiency" first put forward by the World Business Council for Sustainable Development (WBCSD), and its core is "to provide competitively priced products and services to meet basic needs and bring a better quality of life, while minimize the use of natural resources and gradually reduce the impact on the environment over the life cycle, so as to consistent with the earth’s bearing capacity, not to jeopardize the needs of future generations." [1] Ecological efficiency links the index of the resources, economy and environment; establishes the best link between the best economic goals and the most excellent environmental objectives [2]. We has taken a series of evaluation index system such as "ecological city, circulation economy, ecology industrial park" in the area of the regional environmental assessment [3].
2.1.2 The index selection of regional ecological efficiency

According to the index selected to calculate ecological efficiency in the German environmental economic account and considering the scientific nature of the index, the accessibility of the data and other factors, this article establishes the regional ecological efficiency index system shown in the table 1 on the basis of domestic practice. According to the definition of ecological efficiency, the output represents the value of the products or services, generally described by the gross domestic product (magnitude of value), and design practical method for measuring the resource consumption and the impact of environmental pollution.

Table 1. The Regional Ecological Efficiency Index System

<table>
<thead>
<tr>
<th>First-class index</th>
<th>First-class index weight</th>
<th>Second-class index</th>
<th>Second-class index weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources Utilization Efficiency</td>
<td>$W_1$</td>
<td>Construction land productivity</td>
<td>$W_{11}$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Energy productivity</td>
<td>$W_{12}$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>water consumption productivity</td>
<td>$W_{13}$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>sulfur dioxide emissions productivity</td>
<td>$W_{21}$</td>
</tr>
<tr>
<td>Environmental Efficiency (Waste Emissions Efficiency)</td>
<td>$W_2$</td>
<td>Waste water discharge productivity</td>
<td>$W_{22}$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Waste discharge productivity</td>
<td>$W_{23}$</td>
</tr>
</tbody>
</table>

2.1.3 The determination of the index weight

Calculating the regional ecological efficiency index, the GDP of the area is usually chosen as the molecule and each index actually reflects the contribution of the unit consumption of natural resources to the total regional GDP. However, due to the different focus of economy between the different regions, the different natural resource consumption corresponds to the different economic value. When dividing the weight of eco-efficiency indicators, common indicators for all regions should be weight different values based on local realities and actual conditions, with the different regions for different weights.

This paper use analytic hierarchy process to distribute the weight, which is a kind of qualitative and quantitative, systematic and hierarchical analysis method. It set the weight of the first-class index for $W = \{ W_1, W_2 \}$, which contains the second-class index weight for $W_{ij}$ ($i = 1, 2; j = 1, 2, 3$). The main steps to determine the index weight are as follows:

1. Constructing hierarchy structure model, as shown in table 1.
2. Setting up judgment matrixes, as shown in table 2.

Table 2. Judgment Matrixes

<table>
<thead>
<tr>
<th>Resources Utilization Efficiency</th>
<th>Waste Emissions Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources Utilization Efficiency</td>
<td>$a_{11}$</td>
</tr>
<tr>
<td>Waste Emissions Efficiency</td>
<td>$a_{21}$</td>
</tr>
</tbody>
</table>

Table 3. Relative Importance Scale

<table>
<thead>
<tr>
<th>Scale</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Factor i and j are the same important</td>
</tr>
<tr>
<td>3</td>
<td>Factor i is slightly more important than factor j</td>
</tr>
<tr>
<td>5</td>
<td>Factor i is obviously more important than factor j</td>
</tr>
<tr>
<td>2,4,6</td>
<td>Between the scale 3 and scale 5</td>
</tr>
<tr>
<td>reciprocal</td>
<td>Results of Comparison, which value describe as $a_{ij}=1/a_{ji}$</td>
</tr>
</tbody>
</table>

3. The relative weight calculation of the elements under a single standard. The method is as follows: Comparing the line factor and column factor, scoring these factors according to their relative importance to the production and operation activities, as table 3 shows:
4. Find out the biggest characteristic root in the comparative matrix $\lambda_{\text{max}}$ and the corresponding feature vector $W=(W_1, W_2)$ for normalization.
5. Make the consistency check. If $CR<0.1$, the degree of inconsistency which the weights derived from is in the allowed range.
6. Weight the second-class index $W_i$ in the same way.

Although the ecological efficiency can measure the resource utilization in the region, problems remain exist only using the ecological efficiency index. For example, the index is lack of comprehensive and cannot unify the unit, etc.

2.2 Ecological efficiency ratio

In order to compensate for the lack of ecological efficiency evaluation in the region, this paper get the ecological efficiency ratio as regional environmental efficiency evaluation index based on the ecological efficiency index system.

2.2.1 The calculation of the regional eco-efficiency ratio

Eco-efficiency ratio = The year’s eco-efficiency/Last year’s eco-efficiency\(^{[4]}\). Regional eco-efficiency ratio $R$ is expressed as:

\[
R = \frac{\text{The eco-efficiency of this year's index in the region}}{\text{The eco-efficiency of last year's index in the region}} = \frac{Y_b}{Y_a} \times \frac{X_b}{X_a} \times \frac{W_1}{W_2} \times \frac{W_3}{W_4}
\]  

(2)

$R_i$ represents the sub-indicators of that eco-efficiency; 
$Y$ represents the value of regional GDP; 
$X$ represents the actual amount of the indicators; 
b represents this year; 
a represents last year.

The eco-efficiency ratio of each pollutant can be obtained from the model (2):

\[
R_i = \frac{X_{ai} W_i W_{ij} Y_{ij}}{X_{aj} W_j Y_{aja} Y_{aj}} = \frac{X_{ai} Y_{i}}{X_{aj} Y_{aj}} \times \frac{W_i}{W_j}, \quad (j=1,2; \ i=1,2,3)
\]  

(3)

The regional eco-efficiency ratio is available from the model (3):

\[
R = \sum_{i=1}^3 \sum_{j=1}^3 W_i W_{ij} R_i, \quad (i=1,2; \ j=1,2,3)
\]  

(4)

When the $R$-value above or equal to 1, it indicates that the output this year is greater than last year in consuming the same unit of resources, which thereby proves that the utility of resource has been improved and the environmental management has obtained the good effect; When $0 < R < 1$, it explains the same output has consumed more unit of resources this year than last year, which proves the utility of resource has been reduced and the environmental management has not worked well. Thus it can be seen that the bigger $R$ value is, the more effective the environmental management is, and the more the utility of resources have improved.

2.2.2 The realization method of the eco-efficiency ratio for the policy advice

$\hat{R}$ represents the ratio of the highest eco-efficiency across the country to the eco-efficiency in a certain area.

\[
\hat{R} = \frac{\text{The optimal value of that year's eco-efficiency across the country}}{\text{That year's eco-efficiency in that region}}
\]  

(5)

The higher the value is, the greater the gap is between the region's resource utilization and the optimal efficiency, which means more room for promoting on the utilization of resources in this region. The local government should refer to this index in the choice of environmental management reform program and choose the emissions with the largest $\hat{R}$ value as a corrective object, which can clarify the direction of the government policy-making and the technology reform, give full play to the government's control functions.
3. Ecological economy evaluation in Jiangsu province

3.1 The determination of index weight

According to the multi-level index system and the experts’ consultation, it compares on the basis of the data from table 2 and table 3 the efficiency of resource utility, the two first-class indexes of “three wastes” emissions efficiency, three second-class indexes of resource utilization efficiency and the importance of “three wastes” emissions efficiency, constructs three comparative matrixes. The results shows in table 4~6:

**Table 4. First-class index matrix**

<table>
<thead>
<tr>
<th>Index</th>
<th>Resources Utilization Efficiency</th>
<th>Waste Emissions Efficiency</th>
<th>Weight (W_i)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources Utilization Efficiency</td>
<td>1</td>
<td>1</td>
<td>0.50</td>
</tr>
<tr>
<td>Waste Emissions Efficiency</td>
<td>1</td>
<td>1</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Plus : \( \lambda_{\text{max}} = 2.0; RI = 0; CI = 0; CR = 0 < 0.10 \)

**Table 5. Second-class index matrix of Resources Utilization Efficiency**

<table>
<thead>
<tr>
<th>Index</th>
<th>Construction land productivity</th>
<th>Energy productivity</th>
<th>water consumption productivity</th>
<th>Weight W_{ij}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction land productivity</td>
<td>1</td>
<td>1/2</td>
<td>2</td>
<td>0.30</td>
</tr>
<tr>
<td>Energy productivity</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>0.53</td>
</tr>
<tr>
<td>water consumption productivity</td>
<td>1/2</td>
<td>1/3</td>
<td>1</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Plus : \( \lambda_{\text{max}} = 3.0093; RI = 0.58; CI = 0.0047; CR = 0.008 < 0.10 \)

**Table 6. Second-class index matrix of Waste Emissions Efficiency**

<table>
<thead>
<tr>
<th>Index</th>
<th>Waste water discharge productivity</th>
<th>Waste discharge productivity</th>
<th>sulfur dioxide emissions productivity</th>
<th>Weight W_{3j}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste water discharge productivity</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>0.40</td>
</tr>
<tr>
<td>Waste discharge productivity</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>0.40</td>
</tr>
<tr>
<td>sulfur dioxide emissions productivity</td>
<td>1/2</td>
<td>1/2</td>
<td>1</td>
<td>0.20</td>
</tr>
</tbody>
</table>

Plus : \( \lambda_{\text{max}} = 3.0; RI = 0.58; CI = 0; CR = 0 < 0.10 \)

Among them \( \lambda_{\text{max}} \) is the biggest characteristic value, and RI is the average random consistency index; CI is the consistency index; CR is the random consistency ratio. Then, we calculate the maximum eigenvalue and eigenvectors from the judgment matrixes applying the Sum\Product Method. At the same time, consistency has been checked and the eigenvector is the relative important weight to the corresponding elements of the same level to the upper level. After ordering the value in single level and doing the overall consistency check, the result shows a good consistency with all the value of CR is less than 0.1.

3.2 The comprehensive index calculation of eco-efficiency ratio

This paper calculates the ecological efficiency of the index from Jiangsu province in the year from 2003 to 2008, which is from China's statistics yearbook, and the results shows in the table 7.

**Table 7. Eco-efficiency of Sub-index of Jiangsu province in 2003~2008**

<table>
<thead>
<tr>
<th>Year</th>
<th>Construction land productivity (Ten thousand Yuan/ha)</th>
<th>Energy productivity (Yuan/t)</th>
<th>Water consumption productivity (Yuan/t)</th>
<th>sulfur dioxide emissions productivity (Ten thousand)</th>
<th>Waste water discharge productivity (Yuan/t)</th>
<th>Waste discharge productivity (Yuan/t)</th>
</tr>
</thead>
</table>


Therefore, the eco-efficiency ratio of the sub-index in Jiangsu can be get from the model (2), as shown in table 8.

**Table 8. Eco-efficiency ratio of Sub-index of Jiangsu province in 2003~2008**

<table>
<thead>
<tr>
<th>Year</th>
<th>Construction land productivity</th>
<th>Energy productivity</th>
<th>water consumption productivity</th>
<th>sulfur dioxide emissions productivity</th>
<th>Waste water discharge productivity</th>
<th>Waste discharge productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2.396</td>
<td>1.062</td>
<td>2.436</td>
<td>2.625</td>
<td>2.417</td>
<td>2.286</td>
</tr>
<tr>
<td>2007</td>
<td>0.567</td>
<td>0.697</td>
<td>0.572</td>
<td>0.624</td>
<td>0.594</td>
<td>0.582</td>
</tr>
<tr>
<td>2006</td>
<td>1.154</td>
<td>1.553</td>
<td>1.107</td>
<td>1.228</td>
<td>1.176</td>
<td>0.948</td>
</tr>
<tr>
<td>2005</td>
<td>1.130</td>
<td>0.925</td>
<td>1.138</td>
<td>1.034</td>
<td>1.028</td>
<td>0.947</td>
</tr>
<tr>
<td>2004</td>
<td>1.123</td>
<td>0.930</td>
<td>0.940</td>
<td>1.147</td>
<td>1.034</td>
<td>1.027</td>
</tr>
</tbody>
</table>

From the table, the sub-indexes of ecological efficiency are all in dimensionless treatment. Then the weight coefficient determined in the table 4~6 and the composite index of Jiangsu province’s eco-efficiency ratio of each year from 2004 to 2008 is considered, as shown in table 9.

**Table 9. Composite index of Eco-efficiency ratio of Jiangsu province in 2004~2008**

<table>
<thead>
<tr>
<th>Year</th>
<th>Composite index of Eco-efficiency ratio of Jiangsu province</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2.0510</td>
</tr>
<tr>
<td>2007</td>
<td>0.6158</td>
</tr>
<tr>
<td>2006</td>
<td>1.2262</td>
</tr>
<tr>
<td>2005</td>
<td>1.0098</td>
</tr>
<tr>
<td>2004</td>
<td>1.0218</td>
</tr>
</tbody>
</table>

The composite index of Eco-efficiency ratio reflects the rate of progress of the comprehensive regional ecological efficiency. When the value of R is greater than 1, the results show that the efficiency of using resources in this year has been improved; when the value of R is less than 1, the contrary is the case. Above shows that Jiangsu province’s overall ecological efficiency showed a rising trend during 2004 ~ 2008, and each year’s eco-efficiency ratio is larger than 1 in addition to 2007, and the growth increased year by year: the efficiency of using resources has been smoothly improved in Jiangsu province during 2004 ~ 2006, especially in 2006 it has made great progress. By the year of 2007, however, R value dropped sharply. There should be two reasons: first, along with the rapid economic development of Jiangsu province, the total amount of pollution emissions will continue to increase, and the improvement of efficiency of using resources cannot keep pace with the speed of economic expansion, which lead to a drop of the ecological efficiency index; Second, the stock market’s crash at the end of 2007 proved the landslide of real economy. The product in occurrence factory is slow-moving; the consumption of resources isn’t followed by the increase of the economic income, which leaded to comprehensive eco-efficiency status slipping. The comprehensive value of eco-efficiency ratio in 2008 ramping up greatly is mainly due to the decline in 2007, compared with a higher growth rate, and virtually probably due to the cautious of the real economy on the output scale, which rebound the efficiency of using resources.

3.3 The realization of the eco-efficiency ratio for the policy advice

According to the China statistical yearbook, this article gets the 31 provinces’ ecological efficiency index, and finds out the optimal value of the 31 provinces’ ecological efficiency index, as shown in table 10.

**Table 10. Estimating and Ranking the value of \( \hat{R} \) of Jiangsu Province**

<table>
<thead>
<tr>
<th>Index</th>
<th>Construction land productivity</th>
<th>Energy productivity</th>
<th>water consumption productivity</th>
<th>sulfur dioxide emissions productivity</th>
<th>Waste water discharge productivity</th>
<th>Waste discharge productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>156.72</td>
<td>12453.30</td>
<td>54.29</td>
<td>268.19</td>
<td>594.71</td>
<td>35009.24</td>
</tr>
<tr>
<td>2007</td>
<td>65.42</td>
<td>11723.33</td>
<td>22.29</td>
<td>102.15</td>
<td>246.10</td>
<td>15312.42</td>
</tr>
<tr>
<td>2006</td>
<td>115.30</td>
<td>16827.99</td>
<td>38.97</td>
<td>163.71</td>
<td>414.28</td>
<td>26331.80</td>
</tr>
<tr>
<td>2005</td>
<td>99.95</td>
<td>10834.71</td>
<td>35.22</td>
<td>133.33</td>
<td>352.42</td>
<td>27770.35</td>
</tr>
<tr>
<td>2004</td>
<td>88.44</td>
<td>11713.20</td>
<td>30.95</td>
<td>128.96</td>
<td>342.86</td>
<td>29313.14</td>
</tr>
<tr>
<td></td>
<td>productivity</td>
<td>productivity</td>
<td>productivity</td>
<td>productivity</td>
<td>productivity</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>--------------</td>
<td>--------------</td>
<td>--------------</td>
<td>--------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>The optimal value</td>
<td>310.56</td>
<td>15105.74</td>
<td>298.97</td>
<td>1979.55</td>
<td>1157.63</td>
<td>136520.69</td>
</tr>
<tr>
<td>The value in Jiangsu</td>
<td>156.72</td>
<td>12453.30</td>
<td>54.29</td>
<td>268.19</td>
<td>594.71</td>
<td>35009.24</td>
</tr>
<tr>
<td>$\hat{R}$ value</td>
<td>1.9816</td>
<td>1.2130</td>
<td>5.5069</td>
<td>7.38115</td>
<td>1.9465</td>
<td>3.8996</td>
</tr>
<tr>
<td>Rank of $\hat{R}$ value in 31 Provinces</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

The value of $\hat{R}$ represents the ratio of the optimal value of the national ecological efficiency to the ecological efficiency in Jiangsu, which reflects the gap between the Jiangsu province’s efficiency of resource utilization and the optimal efficiency. Through the above table, it can be find that the largest gap is the sulfur dioxide emissions productivity, which also means more room for promoting, followed by water consumption productivity. Therefore, the government should first consider the improvement of sulfur dioxide emissions productivity at the time of constituting the relevant policies. That means the government should reinforce the technological reform of production which contains sulfur dioxide emissions. And the government should also consider the utilization efficiency of water resource, and improve the efficiency of water resources so that to maximize the ascension of the whole ecological efficiency in Jiangsu province.

4. Conclusion

At present, Jiangsu province is in the acceleration period of industrialization and urbanization, and at the stage of development in the heavy chemical industry and the peak of infrastructure construction, which need to consume the massive resource. The problem of resources and environment are increasing, and has become the constraint conditions for social and economic development. If we continue to follow with the traditional mode of economic development characterized by "high investment, high growth and low benefits", resources will not meet our needs, and the environment will also be difficult to support our rapid development. To develop ecological economy and to promote the transformation of the economic development pattern will be the only way for the development of Jiangsu province in the future.

5. Acknowledgement

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Model of Sustainable Tourism Based on Rural Development

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Abstract

Today’s tourists realize that the most important thing is freeing from the stress and that it is impossible to achieve on the places where the everyday experiences are repeating. This shows completely other type tourists and tourism which will surely change the theory and the behavior in that sector in the future. Future guests will be more interested for natural beauties and for cultural monument of tourism destinations. Stimulated by a need for excursions, for the changes of the place of living and of a desire for new knowledge and different excitements, the guests will require more from the tourism. The purpose of this article is to evaluate the rural tourism as an important asset in the model of tourism economy for sustainable development. Through rural tourism we can vitalized all rural area that are “forgotten” by government, people, investors, tourists, ect. Rural areas have concentrated most of natural resources and offer several types of tourism.

Keywords: rural tourism, tourists, rural area, sustainable development model, rural development, bio products, environmental, nature resources

1. Introduction

Noisy life, psychologically charged, who accompanies us all the time, makes us to think, more and more, for holidays and recreation, where this last one has become a separate business, which define the name of tourism. All the branches of the economy are intended to be designed and developed in the context of sustainable development. Sustainable development is the main condition and the term by which the ears are listening to us every day. In a world like the present, where things go faster in complex, and where we understand that our problems cannot ever run out, we are trying to maintain balance. In itself, sustainable development itself is essentially this: "Maintaining a balance between natural capital, human capital, and economic future activities". Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- the concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given;
- the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs." (WCED, 1987)

All definitions of sustainable development require that we see the world as a system—a system that connects space; and a system that connects time (IISD, 2013). People concerned about sustainable development suggest that meeting the needs of the future depends on how well we balance social, economic, and environmental objectives—or needs—when making decisions today. Some of these needs are itemized around the puzzle diagram. For tourism, to make a greater contribution to sustainable development, it must use its unique position as an interpreter within meaningful settings to aid the transformation of one’s thinking and behavior upon returning home.

Tourism has received considerable attention in the last four decades because of its potential for regional economic development (Barucci, 1990). Tourism should have as a core objective: the development of "sustainability ambassadors". There are few studies that show tourism has the power to change thinking and alter the course of one’s life through the new perspectives it offers. On the positive side, tourism has been promoted by many governments because of its
potential for job creation, income generation, improvements in the balance of payment and acquisition of hard currency. On the positive side, tourism is considered a tool of economic regeneration and a medium for heritage and environmental preservation, creation of infrastructure, cultural communication and political stability (Squire, 1996).

On the other hand, since the tourism product is consumed at the same place of production, tourism development has come under criticism for various social and environmental strains experienced by receiving destinations and host populations, such as environmental degradation, cultural pollution, commercialization of human relations and negative demonstration effects (Andriotis, 2002). Tourism is industries, which use the community as a resource, sells it as a product, and in the process affects the lives of everyone (Murphy, 1980a). The community as a product is an amalgam of the destination’s resources. Therefore, Murphy (1985, p.37) suggests that the product produced and sold by a community should be a ‘community tourist product’; it should be the one which the community, as a whole, wishes to present and sell to the tourism market. The three groups of people who are important in tourism development are:

1. business people (who seek their enterprises to be viable);
2. the residents (who threw their support contribute to the success of a tourist destination); and
3. the local authorities (who desire the development of tourism in accordance with their plans and objectives, e.g. environmental preservation, taxation, Employment generation) (Andriotis, 2003)

A wide variety of tourist opportunities exist throughout rural area and continue to grow as increasing numbers of local entrepreneurs identify new ways to market previously untapped local resources and attractions, and bring tourists into their area. Moreover, the nature of tourism is especially well-suited to small-scale rural enterprises. Many remote areas are ideal locations for nature-based activities like hunting and fishing, or ecotourism activities such as hiking and rafting.

2. Literature review

Depending where one looks you will find various definitions aimed at describing ‘sustainability’ in a manner most favourable to the users’ point of view. Earlier definitions were driven by egocentrics who viewed economic growth as incompatible with environmental protection and predicated solutions based on minimal resource exploitation and organic agriculture (CSIR, 2006).

Sustainable development was defined by the United Nations World Commission on Environment and Development in the 1987 Brundtland Report as “those paths of social, economic and political progress that meet the needs of the present without compromising the ability of future generations to meet their own needs.” In 1993 – a year after the Earth Summit in Rio de Janeiro – the World Congress of Architects defined sustainability for the architectural fraternity as follows: “Sustainability means meeting our needs today without compromising the ability of future generations to meet their own needs”.

One important study—by the Board on Sustainable Development of the U.S. National Academy of Sciences—sought to bring some order to the broad literature its members reviewed. In its report, Our Common Journey: A Transition toward Sustainability, the board focused on the seemingly inherent distinction between what advocates and analysts sought to sustain and what they sought to develop, the relationship between the two, and the time horizon of the future.

Sustainable tourism has three interconnected aspects: environmental, socio-cultural, and economic. Sustainability implies permanence, so sustainable tourism includes optimum use of resources, including biological diversity; minimization of ecological, cultural and social impacts; and maximization of benefits for conservation and local communities (UNEP, 2006), defines rural tourism as a discrete activity with distinct characteristics which may vary in intensity, and by area. Consideration is given to developing rural tourism in ways where the supply of tourist facilities and experiences is appropriate to the needs of the host community, the environment and the local suppliers, and where it also matches the requirements of tourists on the demand side (Bramwell, 1994). He is expressed that rural tourism should not develop as the hapless outcome of inexorable, external forces, and hence prominence is given to the role of local communities and local businesses in shaping rural tourism (Bramwell, 1994)

3. Some critical issue

3.1 Rural tourism and types of tourism

Human desires are increasing, and so are the claims of the types of tourism. Rural areas are usually away from the building pressure, heavy branches of industry, from attention to their destruction. Also the surface of rural areas is greater. Today, tourism trends are moving increasingly in search of nature, those natural ecosystems. So, if you choose a
rural area, can simultaneously enjoying tourism, historical, religious, cultural, ethnographic, ecotourism, tourism, handicrafts, bio-tourism, etc. And moreover, all these are unique, just for this space. Rural area is special because unlike the urban areas, rapidly falling into the whirlpool "globalization / value calculus", rural areas preserve more their identity.

3.2 Rural tourism and local economy:

In a time of economic crisis, like the present, where globalization and rampant capitalism, showed that there is economic miracle, all eyes are turning another phrase "Think globally, ACT locally". The local economy is always secure and cannot be seriously affected by the universal crisis. Residents of rural areas have made connections and interdependence on each other to meet their needs most, which means that capital circulates inside the local grid and money are safe.

The walk to the local economy in tourism has always prevailed. Tourists come across certain seasons of the year, depending on the type of tourism. Residents have always time to make their preparations. Tourists generally always want less consumption and local products. This thing motivates people to produce BIO, and not to attach importance to international cuisine finds everywhere. Tourism and hospitality operators and the wider region can also benefit from stronger food and tourism connections through:

- Association with a quality product; Local foods are not a standardized product. Reinforcement of ‘authentic’ tourist experiences allows visitors to see beyond the shop front and establish strong relationships with a destination; Food is an attraction. Existence of product, such as markets and wineries, provides a motivation for visitation to an area, stay in accommodation and eat at restaurants; Existence of food related products also helps extend length of stay because it gives visitors places to visit and activities to engage in (Hall, M. & Wilson, S., 2008).

For tourism to be economically sustainable buying local foods will not be all that is required. Local foods may help local economies yet there are communities that cannot provide food for themselves. Residents of rural areas are not all in the same economic level, but this is not an obstacle to be included in the scheme of the host infrastructure and accommodation of tourists, because the visitors do not have all the same amount of money to spend for their accommodation. So the creation of several alternatives, such as giving rental villas, wait of tourists in the home where the residents live, creating some kind managed camps, etc., are some possibilities that will integrate a large group of visitors and local employees. The greater of the number of visitors and the diversity of groups and social categories, and variety of services will therefore require more human capital will be required to provide the father realize them. Consequently, it will grow not only the number of self-employed, but the number of employees.

3.3 Rural Tourism and Social Growth

Rural areas far from being intensive urban development pressures, away from the noise of the big events in cities, generally remain behind a little in the way of development. This is for several reasons, because people are more connected to the land, there are always chasing the trend for university studies, have less time to be devoted to IT, there is less opportunity for professional choice, or an active social life. But this is not an absolute theory as the best tourism today may break the taboo and the public that rural areas are undevelopment. Development of rural tourism in the report on social development should be viewed in two perspectives.

Firstly, contributor, as social development in rural area. This means that residents of areas, over time get used to the presence of foreign tourists, creates friendships teach. The basic premise of the hypothesis is that social contact between two different ethnic groups will result in a change of attitudes, preconceived stereotypes, and prejudices held by each group for the other (Amir, 1969). Psychologically, this is a breach mentality and personality development for the people who accept cultural innovation or conduct of foreign tourists.

There are numerous subsequent studies as Mouton 2001, Shaules 2004, Tomljenovic 2002, and many other models examining changes of knowledge, attitudes, and values toward cultures as a result of contact through tourism. Besides this there is educational value. Usually young people who engage in activities that relate to services provided to tourists, start learning foreign languages, as a crucial element in the tourism economy. Also, not to mention, the necessity and desire, which young people will have to be educated in the field of tourism, for a better serve to family’s business.

Secondly, tourists are the first ambassadors to break taboos and myths that are overdue for rural areas. After returning from vacation, tourists spread impressions about the visit to the country, for the hospitality of the habitants, their culture, the level and quality of services. And in cases of good impressions certainly encourage others to visit these areas.
3.4 Rural tourism and the environment:

Environmental problems are forcing us that for many branches of the economy have to change the way it functions, others should be locked at all etc. Only a branch of economics is that if managed properly has minimal impact on environmental. This is almost tourism, qualified as "white industry". In fact, tourism is one of the economic trends which can more easily to combine elements, and to achieve balance, for sustainable development. Express that tourism is an industry friendly to the environment. But it cannot long survive if we do not preserve balances, and not manage tourism economic activity, in accordance with environmental values. However, when we talk about rural tourism, it is unlikely that the presence of environmental problems to be present.

4. Methodology

Realization of this article comes in its combination of several methods of study. Initially start by research method, which means the research for the current studies in this field. Proceed further with analyses method where we analyzed all the current study and our ideas, and synthesis method which means the synthesis of our study and our research. Certainly here is not missing the method of questionnaires, which included different social groups and interest groups. Questionnaires were addressed to the current residents of the area, investors or business leaders who have focused their activities in the field of tourism, residents fled, and tourists.

- Questionnaires for tourists
- Questionnaires for business in tourism field

We have chosen four groups and have made 100 questionnaires for which group. So in total are 200 questionnaires. In questionnaires for tourist we have ask foreign tourists and Albanian tourists with different age and different gender and nationality. In questionnaires for residents are asked residents in the village of Valbone, Borsh, Dhermi, Qeparo, Vuno, Voskopojë, Dardhe. In questionnaires for business are included persons who have different kind of businesses like travel agency, touristic agency, hotel, resorts, etc. We have decided to make 100 questionnaires for every group because we want to take opinion from as many people in different social economical situation, different age and gender as we can; because the opinion and the thinking of the others persons, that are specially and very important actors in this chain of development, is very useful.

5. Analyze of case study - rural tourism in Albania

The geographically positioned in the Mediterranean basin, with wide outlet on the Adriatic Sea and Ionian Sea, and with great natural assets and cultural, Albania in recent years has begun to pay attention to tourism. Although a bit late compared to other countries in the region, it has made some steps forward in promoting tourism, but also the economic benefit from it. Albania has inherited a rural population and still today, a significant proportion of the population lives in rural areas. Hence, the greatest natural assets and cultural are concentrated in rural areas. Given this fact, it can be a very good alternative for rural tourism development. But even with numerous cultural assets and natural, in all studies have noted that rural areas have many socio-economic problems, and few development alternatives, bypassing the tourism as a development opportunity, and more as a sustainable alternative. For many years tourism was focused on the main coastal cities in the country, and this for several reasons, such as better road infrastructure, reception and accommodation service, access and service in short time, the tradition to these cities, the lack of knowledge for rural areas etc.. But in recent years, investors and the residents of rural areas have chosen to invest in tourism. Rural tourism, took the path of early development in coastal areas of Albania where Borsh, Lukova, Dhermi, Qeparo, etc. are among the most favorite destinations for tourism "sand and water” during the summer but also more expensive. Recently the mountainous areas, which although faced with a huge rural exodus, and haven’t a good general infrastructure, have entered the path of tourism. Thus the villages that lie in mountainous areas like Dardha, Voskopojë, Thethi, Valbona, Dragobia, etc. are turn into tourist destinations. It is only the beginning and in its sporadic marketing, have been successful, and for more tourists leave satisfied from these villages. Clean air, greenery, beautiful landscapes, traditional cuisine, special dishes just for friends, clean products without GMOs, access to sports, like skiing, horseback riding, various ball games, etc., the hospitality of residents, are some of the alternatives to be offered in these areas. Tourism in rural areas, will contribute to economic revitalization and improvement of the inhabitants of remote areas of the country, who will now have one more option, in addition to immigration or agriculture for livelihood.
5.1 Questionnaires' analyze

5.1.1 Questionnaire for tourists

1. **Do you like this village? Why you have chosen rural area for rest?** *(Without alternative, tourists can answer as they want)*

   From the questionnaires with 100 tourists, result that 82% answer that they like very much the village where they are staying for rest. 18% of them declare that they like enough the village. We ask them why have chosen this area the reason are many, but they all have one meaning that confirm the trend of tourism “in searching of natural”. So they have evaluated Clean environmental, Healthy air, Silence, Aware of smog, Local product BIO, Secure for small kids, aware from traffic and noise ect.

2. **Have you been in another touristic village in Albania?**

   It is well to hear that 75% of them have been in others villages of Albania. This show that have start to discover rural areas and their wonderful landscape. 24% of them, which was all foreign tourists have no visit other touristic village, but in friendly way they confirm us that the rest have not finished, so they have time to go around.

3. **What do you want more?**

   Lowest rates and more local activity are the things that tourists want more from tourist services. They underline that some local activity for example, local fest, traditional music, traditional wearing, local food, etc. Also they estimate the fact that villages need more guide tour, employment people to explain the guide, so they can learn something about history, geography art, music, etc. Another things to do in the future is to improve road infrastructure and tourists accommodation. Also some of them express desire that they want something more traditional about tourist accommodation..

4. **Would you like to come back again here?**

   53% of them like to turn back even the fact that for them was not first time of being here. Most of them are Albanian tourists which are annual tourist in the village. For them is like a tradition to be every year for some days rest in their prefer village. This group of tourist is familiar, with small kids, and they “feel secure” in the village because they know many things about it. 24% of them declare that “may be” they will turn back. 23% of total number of tourists, responses that they would not like to return in the same place. The last group was made by youth people who usually like to explore new places.

5.1.2 Questionnaires for tourism business in rural area

1. **Why you have chosen this area to invest?** *(Without alternative, business can answer as they want)*

   In questionnaires for business we have talk with investors on village that have construct something or have a business in tourism service. The first question was to discover the reasons of their investments in the village. Is characteristic for most of them were emigrant many years ago and they have turn back in their country with the desire to invest. So when we ask them which is the reason the answer in those way: Is my property, I like village, Is my birthplace, Low price of land. Tourism is the future and for me is a secure economic investment. 52% of them have 3-6 years that have started their activity, 20% of them have 1-3 years with their activity, and only 28% of all 100 businesses have over 6 years. This shows us that rural tourism is new in our country, and 72% of it is development during last 6 years.

2. **Are you pleasure with economic profits?**

   When we speak fortourism the top point is economic profit. And specially for investors economic profit is key point of all casus. Form all the questionnaires that we have make with 100 businesses we have an equality between the them they are pleasure and they that are enough pleasure. It is worth mentioning that 10% of businesses that are not pleasured are from rural mountain areas. They are new in filed of tourism and they need more help for general infrastructure, marketing, investments from governmant etc.

3. **How is going the number of tourists from is last 3 years?**

   In general most of businesses have answer that the number of tourists is growing up. 20% of them have declared that the tourist number is well, enough, which means that they are somewhat satisfied with the number of tourist for their business. 12% of the business were answered that the number of tourist is equal in the last three years. These are business in mountains areas where tourism is in the first steps.
4. *What are the main obstacles for your business?* (Without alternative, business can answer as they want)

“General infrastructure” is the key point of the summary of responses that all business gave us. They want qualitative way, regular supply of electricity, regular supply of clean water. They also require local government to make as many promotional events or different events that will render the known area.

5. *Would expand your economic activity in the future?*

This question has logical connect with the question of economic profits. So, based on the fact that most of them were satisfied with the benefits, because they do not forget to emphasize the factor that we are the first steps to their business, they will continue with further investment. Mainly of investments consist to improve the quality of service. But there are a small percentage of respondents who do not want to invest for the moment, as the financial situation connected with the global crisis, makes them insecure.

6. **Recommendations**

- Support for rural tourism development.
- Sustainable tourism is a powerfully attractive concept to the rural tourism manager. It provides a useful philosophy and check-list for proposed actions.
- Develop plans and strategies for sustainable development where tourism will occupy a considerable place
- Preservation of unique values, and of non-proliferation their specialty in other areas.
- The indigenous communities, their way of life, their identity and relationship with the land and nature.
- Conduct promotional activities
- Preservation of natural resources and care for the landscape
- Conserve the environmental value
- Issues to be Addressed if Sustainable Rural Tourism is to be Promoted Successfully
- Special visitor management techniques may have to be employed to prevent and/or repair environmental damage caused by visitor pressure. agriculture / forestry support;
- The development of a better quality of life for rural peoples;
- The development of new roles for disadvantaged/under-employed groups;
- -Quality-of-life enhancement for visitors from urban areas, last in this list but a crucial aim in many respects.
- Make marketing of rural tourist areas
- Successful development and management will require both public and private sector participation.
- The provision of effective planning and conservation legislation, and bodies to implement that legislation -- a public sector responsibility;
- The development of regional and local sustainable rural tourism strategy plans to assess an area’s strengths, weaknesses, opportunities and threats, to guide both public and private sector investment, and to assess environmental and community requirements.

7. **Conclusions**

All definitions of sustainable development require that we see the world as a system—a system that connects space; and a system that connects time. Human desires are increasing, and so are the claims of the types of tourism. For many years tourism in Albania was focused on the main coastal cities in the country, but in recent years, investors and the residents of rural areas have chosen to invest in tourism. Rural areas are usually away from the building pressure, heavy branches of industry, from attention to their destruction. Environmental problems associated with us in everyday life make people ask more and more natural for their holidays rural tourism can be defined as a tourism product, which approach accentuates the importance of supply management and marketing activities. They are a very safe alternative for sustainable development. To develop rural tourism in ways where the supply of tourist facilities and experiences is appropriate to the needs of the host community, the environment and the local suppliers, and where it also matches the requirements of tourists on the demand side. The variety of services, tourism and the values are too numerous to alter anything helps groups of tourists. Tourists are the first ambassadors to break taboos and myths that are overdue rural areas. In a time of economic crisis, like the present, where globalization and rampant capitalism, showed that there is economic miracle, all eyes are turning another phrase "Think globally, ACT locally". The local economy is always secure and cannot be seriously affected by the universal crisis.
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The Impact of Cultural Globalisation on Identity Formation among the Malaysian Chinese

Rachel Chan Suet Kay

Abstract

Globalisation has been a widely contested concept, a term bandied about since the 1980s. In general it implies a breaking down of boundaries of time and space. Supporters of globalisation separate their analysis of the effects of globalisation into three major dimensions - economic, political, and cultural. The focus of this paper is on the latter - the cultural. The impact of cultural globalisation on the socialisation process which forms social identity for individuals is of interest. A major concern is whether globalisation has led to cultural homogenisation or cultural differentiation. The author hence attempts to answer this question with the case study of the Malaysian Chinese, who have historically been divided into two main groups - the Chinese-educated, and the non-Chinese educated, diverging in terms of values, aspirations, and lifestyles. Was there a division of cultural capital among Chinese-educated and non-Chinese educated Malaysian Chinese, prior to globalisation? After globalisation (circa 1980s), did these differences still remain? Did the two main groups become homogenised instead? Or hybridised? Does this prove or reject the hyperglobalist point of view that there is cultural homogenisation, and if it is proved, is it free-market driven? What are its mechanisms, in terms of the process of socialisation? A survey questionnaire was distributed to 200 respondents from three institutions of higher education in Malaysia, centering in the capital city – the locus of globalising activity. Three institutions were selected for their representativeness of the two Malaysian Chinese groups, and one was selected as a control group, containing a mixture of both. The results show that respondents are aware of the impact of globalisation and that certain attitudes and practices have been altered as compared to historical trends, as a result.

1. Introduction

1. This paper takes the starting point of globalisation and examines its impact on identity formation among the Malaysian Chinese. Globalisation, albeit a contested concept since the 1980s, has been said to contain three dimensions within its completion. These are the economic, political, and cultural dimensions. In general, globalisation is the breaking down of boundaries of time and space (Waters, 2001). Marxist theorist Leslie Sklair argues that there is a transnational capitalist class which is now representing the global bourgeoisie. This class, hereby known as the TCC, controls the flows of economic capital worldwide and are made up of executives, politicians, state officials, and the mass media. Together, they spread the consumerist propaganda known as the ‘culture-ideology of consumerism’ (Sklair, 2002).

2. One offshoot of this ideology is the remaking of identities to suit consumption tastes. This occurs in tandem with the tenets of neoliberalism. Supporters of globalisation laud its neoliberal benefits, citing a promise of greater homogenisation in economic, political, and cultural practices across the globe. The merging of identities into one that is largely dictated by the free market is hailed as a desirable end. This has consequences for the formation of cultural identities within nation-states. Of particular interest is the effect on identity formation among the Malaysian Chinese.

3. This paper takes the line of argument regarding Bourdieu’s cultural capital, and how possession of it is changing hands within this new climate. Bourdieu originally posited cultural capital as a measure of a set of knowledge, norms, values, beliefs, and lifestyle practices that were unique to social groups mostly based on economic class (Bourdieu, 1986). However it is different from economic capital in the sense that it is not purely quantitative and not related to the means of production in the Marxian sense. Rather, these were superstructural attributes – ideas that members of a certain social class might subscribe to. However, this would then raise the question of whether the concept of social class is still relevant today. Recent evidence, in the case of the 2013 BBC-LSE British Social Class Survey indicates otherwise (Savage et. al, 2013).

4. With that said, I shall move away from the use of the concept of social class. I will acknowledge instead that social class, as measured originally by Marx as a person’s relation to the means of production, is not my measure of identity here, but cultural capital is instead. Thus, this paper uses Bourdieu’s notion of cultural capital
to argue that Malaysian Chinese groups’ possession of cultural capital is changing as an impact of cultural globalisation.

5. To say this, we must begin from the origins of Malaysian Chinese groups as mentioned earlier. Malaysian Chinese immigrants first arrived in Malaya as workers from China. Around the 1900s, the first Chinese schools were founded – one of them being the landmark Chinese school, Chung Hwa Independent High School which still exists strongly today. These schools based their education syllabi on textbooks from China, which at that time contained strong nationalist sentiments. This led the Malaysian Chinese pupils to develop a strong loyalty to China. At the same time, the British who were occupying Malaya introduced their own school system – based in the medium of English language as well as having its own rational, Enlightenment-influenced syllabus as opposed to China’s Confucian-influenced syllabus. The goal was to train a local officer class to serve the British in Malaya. The Chinese educated Chinese did not appreciate this orientation due to its focus on science over moral and civic education. The only reason the Chinese syllabus introduced science-based subjects was due to China’s intent to keep up with the West, technologically (Purcell, 1948).

6. Hence, this gave rise to a division in mindsets, lifestyles, and aspirations – with the Chinese-educated Malaysian Chinese loyal to their ‘imagined community’ which was China; and the English-educated Malaysian Chinese keen for the establishment of roots in a multicultural Malayan nation-state. This continued into more battles for the rights to uphold Chinese education in Malaysia even after it achieved independence from the British – till now. But slowly, the lines of the division are waning and recent trends demonstrate a meshing between the two. There is now a greater intent among the non-Chinese educated (as of today these include not only English schools but also Malay schools) to immerse themselves in the history and language of their Chinese ancestors. At the same time, due to the demands of globally competitive education, many Chinese-educated youngsters are being sent to English-medium institutions of tertiary education. Thereby lies the desire to embrace both sides of the spectrum. Rita Sim who has recently published a book based on her analysis of media consumption among the Malaysian Chinese also posits a new hybrid – a third group of Malaysian Chinese who are a result of this cultural capital crossover (Sim, 2011).

7. In this paper, I highlight results from a pre-test conducted among youth from Generation Y – the current generation who are the most influential in terms of setting trends in education, work, and even voting in Malaysia.

2. Data

Figure 1: A selection of questions from my cultural capital questionnaire with regards to language used by respondents.

Figure 2: A selection of questions from my cultural capital questionnaire with regards to primary and secondary schooling of respondents.
Figure 3: Dialect group of respondents according to percentage.

Figure 4: Language spoken by respondents at home.

Figure 5: Language spoken by respondents outside the home.

Figure 6: Language preferred by respondents for reading in.
Figure 7: Language most commonly used according to respondents' peer groups.

Figure 8: Type of secondary school attended by respondents


Figure 9: Type of primary school attended by respondents

(IS – International school, HMS- Homeschooled, SRK – State Primary School (Malay medium), SRJK – State Primary School (Chinese medium))
Figure 10: Values transmitted through primary and secondary education

### Comparison to Historical-Based Identities

<table>
<thead>
<tr>
<th>Type of Chinese</th>
<th>Language</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>A</td>
<td>Speak at least a Chinese language and are literate in Chinese. LOI is usually a Chinese language. LOL is Chinese, and possibly other languages too. Preferred IGL is Chinese (Mandarin or other Chinese languages).</td>
<td>Because of common literacy in Chinese, Type A Chinese everywhere share certain similar interests in Chinese language, Chinese literature and Chinese arts. They generally have more knowledge and interest in Chinese history, philosophy, and civilization than other categories of Chinese.</td>
</tr>
<tr>
<td>B</td>
<td>Speak at least a Chinese language, but do not read and write Chinese. LOI is usually a Chinese language. LOL is non-Chinese. Preferred IGL is usually Chinese and/or non-Chinese.</td>
<td>These include (a) Chinese who are illiterate but can speak at least one Chinese language and (b) Chinese who can speak a Chinese language but for whom the language of literacy is not Chinese.</td>
</tr>
</tbody>
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### Historical Types of Malaysian Chinese

<table>
<thead>
<tr>
<th>Type of Chinese</th>
<th>Language</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>Do not speak any Chinese language or write Chinese. LOI is non-Chinese. LOL is non-Chinese. Preferred IGL is the same as LOI and LOL.</td>
<td>These are &quot;assimilated&quot; Chinese. The Baba of Melaka are a good example. They speak one or more non-Chinese languages (Baba Malay and English in the case of the Baba), and if literate, the language of literacy is also not Chinese (English and/or Malay in the case of the Baba).</td>
</tr>
<tr>
<td>D</td>
<td>LOI is a localised Chinese language and one or more non-Chinese languages. LOL (if any) is usually non-Chinese. Preferred IGL is the same as the LOI.</td>
<td>These are also assimilated Chinese but unlike Type C, they still speak an acculturated Chinese language. An example would be the Peranakan-type Chinese in Northeast Kelantan, who speak an acculturated version of Hokkien, Kelantan Malay dialect, many of whom also speak the local Thai dialect.</td>
</tr>
</tbody>
</table>

Figure 7: Historical types of Malaysian Chinese according to spoken and written language (Tan 2007)
3. Analysis

1. From Figure 2, most respondents are from the Hokkien dialect group. ‘Ah Beng’ is originally a Hokkien phrase.
2. From Figure 3, 43% speak Mandarin as a ‘language of intimacy’, 35% use other Chinese dialects (presumably Hokkien). In total, 78% of Malaysian Chinese respondents do utilise Chinese language as their ‘language of intimacy’.
3. From Figure 4, as for ‘language of literacy’ the majority use Mandarin and Chinese dialects (39% use Mandarin, while 12% use Chinese dialects). English is a close second at 35%.
4. From Figure 4, once again, as for the ‘language of literacy’ Chinese language comes a close second to English. This indicates that Chinese language is as important as English in the globalised world.
5. From Figure 5, regarding peers as an agent of socialisation, the lifestyle practice of respondents show that their peers are mostly Chinese-speaking, at 58%.
6. With comparison to Tan Chee-Beng’s original classification of Malaysian Chinese, it is found that the majority of Malaysian Chinese respondents use Chinese language as their ‘language of intimacy’ while at the same time using English language as a main ‘language of literacy’ with Chinese language second.
7. With comparison to my original classification of Malaysian Chinese language-based identities, it is apparent that the importance of Chinese language has been acknowledged by the respondents. 74% of them attended Chinese-language primary school, while only 24% attended Chinese-language secondary school. This shows that while parents desire to maintain the transmission of cultural identity, they do recognise the fact that in this globalising world children need to be competent in the dominant lingua franca, which is English.
8. This shows that Malaysian Chinese youth would be socialised to have a background with knowledge of their mother tongue (with at least some basic writing and reading ability) as well as the same capacities in English.
9. There is thus some convergence in tying the most profitable elements of both Chinese-language and non-Chinese language education together. Compared to the past, there is a mix and match and parents and children are no longer so caught up in rigid nationalism or ethnocentrism but are aware of the compression of space and time – the major hallmarks of globalisation.

4. Conclusion

The results of the survey show that Malaysian Chinese have converged in some areas of identity formation but not in others. While there is a general acceptance of the English language as a language of global importance, the importance of Chinese language has not been eclipsed. This shows that cultural homogenisation among the Malaysian Chinese is occurring, but not as a deterministic totality.

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“Bona Fides” Principle’s Value in Pre-Contractual Liability

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Abstract

“Bona Fides” is a well known principle, internationally important as is being set in national laws and international treaties and conventions. Dating from Roman law, this principle is used nowadays specially in contract laws by determining honest and fair behavior and lack of bad faith between the parties. Although the Albanian Civil Code provides no definition about good faith, requires it in pre - contractual phase. This paper aims to analyze pre - contractual phase, in all constituent elements provided by the Albanian legislation and the way the parties should behave with each other, without causing damages, showing the required good faith. The pre - contractual responsibility shall be determined by reference to the observance and implementation of “Bona Fides” Principle. The paper will treat the forms of good faith and the difficulties in understanding the existence or the lack of good faith being necessary to treat each case as unique. This paper will be realized by using doctrinal definitions, interpreting court cases and foreign legislation.

Keywords: good faith, parties, pre contractual, damage, contract

1. “Bona Fides” Becoming a Principle

Roman law is an extraordinary product of ancient times, created over centuries. Groups of specialists trained in law, scholars and jurists gave opinions over law by interpreting it, but the most precious contribution in law was Corpus Iuris Civilis initiated by Justinian I, Easter Roman Emperor and realized by a commission of jurists, who compiled all existing Roman law into one body. Rich of legal material and formulas, rules and principles it become an important source to all latter Western law systems.

During the second and early third centuries BC, Roman Society thought it necessary to allow certain claims based on contracts of sale, hire and service to be upheld by the legal system. The principle adopted (iudicia bonae fidae) added an element to iudicia stricti iuris which enabled a court to take into account circumstances, defences and considerations of fairness which otherwise have been excluded. The purpose of it was to free magistrates from the strict formalism of the legis actiones and allow them to accord a iudicium with a formula which directed judges to deliver judgment, not according to strict statutory law but according to the principle of contractual faith. (Pettinelli, 2005)

After the fall of Rome, the concept of good faith as an implied principle in the performance of contracts appeared again in mercantile practice during the eleventh and twelfth centuries and was adopted generally throughout civil law regimes. Civil law regimes take an expansive approach to the obligation of good faith applying it to both the formation of a contract and its performance. (Tetley, 2004)

From the 12th century onwards, contracts of good faith as they had existed under Roman law became the rule rather than the exception. A contract was concluded by the mere exchange of consent. However the passage from the principle of ex nudo pacto action non nascitur ("no right of action is created from a bare pact") to that of consesus obligat ("consent alone suffices") occurred gradually, and apparently with great difficulty. It appears as if consensualism was only recognized as a general principle in the 16th century. It is equally during the course of this period that good faith became a general principle of both national and international commerce. This time period also saw the generalization of the principle exceptio doli, which would later become the foundation for the theory of abuse of right. ("European Contract Law: Materials for a Common Frame of Reference: Terminology, Guiding Principles, Model Rules", 2008)

The French Civil Code 1804, which affected most of modern codes in Civil law system, included “bona fides” principle to contracts.

Most European civil codes contain a general good faith provision. (Hessenlink, 2004)
2. The Meaning and the Forms of “Bona Fides” Principle

Bona Fides is required as a condition for good relations between people at all times. Being honest, correct and loyal in a relationship is a behaviour preferred and promoted by moral, good habits and religion. It seems easy to understand bona fides as a sincere intention to deal fairly with the others and in everyday life we estimate people who behave in this way. But as a legal principle, bona fides is hard to assess.

Good Faith as a principle of contract law has long escaped precise definition. This is largely due to the fact that the concept is generally applied as a basis to rectify the perceived unfairness of a strict legal result under the applicable contract law. As a result, the concept of good faith has many meanings in a variety of circumstances. Because the legal concept of good faith is based upon the moral concept of fairness, it is by nature nearly impossible to define because standards of fairness naturally vary depending upon one’s perspective. Even among philosophers, defining the moral principle of fairness been difficult. (Barnes 2006)

Good faith is often said to be in some way connected with moral standards. On the one hand, it is said to be a moral standard itself, a legal-ethical principle; good faith means honesty, candour, loyalty et cetera. It is often said that the standard of good faith basically means that a party should take the interest of the other party into account. On the other hand, good faith is said to be the gateway through which moral values enter the law. (Hessenlink, 2004)

The term “good faith” has thus given rise to several strands with respect to its meaning. Firstly, it could be considered a duty to act fairly and equitably towards the other party. Secondly, it could be a duty and issue of trust and confidence between the parties involved. Thirdly, it might see the establishment of a set of standards of reasonable behaviour in contractual relations and finally, it could be defined by a set of examples of “bad faith”. Therefore, according to different cultures, jurisdictions, functions and scopes the term is nowadays differently associated. (Pettinelli, 2005)

Bona Fides is required by the Albanian legislation that provides in every case “privileged position” of persons or parties who enter into a legal relationship in good faith. They are “protected” by the law precisely for this fact. But the Albanian legislation does not provide a definition about good faith.

“A party’s state of mind in acting or carrying out an action or transaction, evincing honesty, fairness, full communication of any hidden issues or information, and an absence of intent to harm other individuals or parties to the transaction.” (Law Dictionary)

According to that definition I think that we should have more than a philosopher to get the meaning of honesty and fairness. More difficult seems to explain “the state of mind” or “the absence of intent to harm”. The judge’s role would be difficult and each case will have to be seen as unique.

Arguably a definition of good faith is not needed in order to understand and apply such a concept if we reflect that:

[a] study not of contract law, but rather of contract practice is the key to understanding the economic properties of contracting that are necessary to work out sensible uniform laws for commercial purposes. The suggestion here is that an initial understanding of good faith is derived from a study of what judges, jurists and legislators have referred to as being examples of good faith. The core principles of good faith can then be extracted from this stock of knowledge. (Bruno, 2003)

As is well known good faith can be seen under the double aspect of subjective good faith and objective good faith. The first is to be considered as a conduct by a person in ignorance to undermine the others situation legally protected. (Pilot, 2006) Subjective good faith is usually defined as a subjective state of mind: not knowing nor having to know of a certain fact or event. (Hessenlink, 2004) The objective good faith concretized in the obligation imposed to the potential contractor of the legal transaction in progress, to keep a certain behaviour characterized by fairness, so as not to prejudice the interest that counterparty has at the valid conclusion of the legal transaction. (Pilot, 2006)

3. Pre-Contractual Liability

In this part of the paper I will try to explain the pre-contractual phase and the liability of the parties, that in the best of the cases will bind the contract, but it can happen that the negotiations break off.

“The contract is considered concluded when the parties have shown their mutual willingness, being agreed for all its essential terms.” (The Albanian Civil Code: Article 674 paragraph I)

According to Prof. Mariana Semini (1998) the conclusion of the contract passes necessarily in two stages. It is necessary for one party to turn to the other party with who requires concluding a contract and this represents the first...
stage that is the offer. The offer is distinguished from preliminary discussions, offers made in jest or promotions. The second stage that represents the conclusion of the contract is related to the willingness of the other party to accept the offer. The offer and the acceptance, both must meet certain conditions to be considered valid and to lead to the desired consequences. Among the theories about the moment of the conclusion of the contract, the Albanian legislation acknowledges the moment of the arrival of acceptance to the offeror.

The pre-contractual phase is developed until the acceptance of the offer and the conclusion of the contract. The pre-contractual era is notoriously difficult to characterise: the parties have been introduced; no contract has been formed. A contract is not guaranteed but it is the ultimate goal. Negotiations may collapse, piece by piece or suddenly. (C. von Bar, Clive & Schulte-Nolke, Beale, Herre, Huet et al. 2009)

The intention of the parties through the negotiations, is to reach the conclusion of the contract with favourable conditions. During this phase they invest time and they try to achieve the final goal. Negotiations may collapse, piece by piece or suddenly. (C. von Bar, Clive & Schulte-Nolke, Beale, Herre, Huet et al. 2009)

This is a delicate phase and quite uncertain, especially if “the freedom of negotiation” principle “makes the parties believe” that they can change their mind, without having any consequences. The potential damage in the pre-contractual phase, recognizes the obligation to be rewarded, even that the pre-contractual is not considered as contractual relationship.

“Parties during the course of negotiations for the drafting of the contract must act in good faith towards each other” (The Albanian Civil Code article 674 paragraph I)

Although it is not yet a contractual relationship, it is required a behaviour specified “in good faith” from the parties, in order to avoid possible damages. This is called pre-contractual liability deriving from a harmful conduct during the formation of the contract. Certainly the party that has suffered any damage can seek to be compensated if has suffered damages as a result of lack of good faith from the other party.

“The party, who knew or had to know the reason of the invalidity of the contract and has not let the other party know that, is obliged to compensate the damage that the latter has suffered because believed without fault in the validity of the contract.” (The Albanian Civil Code article 674 paragraph II)

According to The Albanian Civil Code, article 675 “In case that a contracting party possesses professional knowledge and evokes the other side of her full confidence, it has an obligation to provide information and guidance in good faith.” In that case the information should remain confidential if damages the party that has given it. In specific contracts like franchising, the obligation of confidentiality is expressed clearly and is worth even if the contract is not concluded. The violation of this duty is followed by the obligation to compensate the damage. (The Albanian Civil Code article 1058)

So, the pre-contractual phase carries the possibility of liability for the party which acts in lack of good faith. The doctrine recognizes it as “culpa in contrahendo”, referred to Jhering who suggested, the law can ill afford to deny the innocent party recovery altogether; it has to provide for the restoration of the status quo by giving the injured party his “negative interest” or reliance damages. The careless promisor has only himself to blame when he has created for the other party the false appearance of a binding obligation. Of course, the party who has relied on the validity of the contract to his injury will not be able to recover the value of the promised performance, the expectation interest. (Kessler, Friedrich and Fine, Edith, 1964)

But Bona Fide Principle should be evaluated carefully. The incorrect application of it leads to unfair benefits and unnecessary legal protection.

Referring to Prof. Ardian Nuni (2004) “Bona Fide” does not mean an absolute value of appearance, but protection of good faith. Good faith does not mean total ignorance, and the faith is not blind. It is protected only the third who has been intelligent in information. In case of private legal relations, especially considering the third person’s interest, the naive faith is not enough, but there is also a task of intelligence that imposes the provide of what meant to say the declarant. Both parties should know what they are contracting and should also understand the content and evaluate all the complex circumstances that form the content. The negligent lack to inform or be informed is attacked by law. So if the party that should know the meaning of the content or the circumstances of the content of the other party is indifferent, the effective recognition has not happened by its fault.

An interesting comparison to make here may be to the Dutch system where the Supreme Court has artificially chopped pre-contract negotiations into three component stages, each attracting different liabilities. At the preliminary enquiry stage there is no liability for parties breaking off negotiations. During substantive negotiations parties are entitled
to terminate but must compensate the other party. Nearing the conclusion of the pre-contractual stage this availability disappears, being replaced by performance damages, or even an order to continue negotiations. (C. von Bar, Clive & Schulte-Nolke, Beale, Herre, Huet et al. 2009)

4. **Applying “Bona Fides” Principle**

While browsing the Italian Civil Code the good faith is often mentioned, especially by the provisions related to contracts (articles 1337, 1366, 1375, and 1460). The provision about the existence of good faith in pre-contractual phase is required as an obligation. (The Italian Civil Code article 1337)

In the Republic of Germany, contractual obligations are subject to the standard of good faith.

“The debtor is bound to effect performance according to the requirements of good faith, giving consideration to common usage.” (The German Civil Code article 242)

The provision had a profound effect on the development of German contract law by the courts who created a number of obligations to ensure a loyal performance of a contract such as a duty of the parties to cooperate, to protect each other’s interests and to give information. (Pettinelli, 2005)

The French Civil Code recognizes good faith as “a must” in performing a contract.

“Agreements lawfully entered into take the place of the law for those who have made them. They may be revoked only by mutual consent, or for causes authorized by law. They must be performed in good faith.” (The French Civil Code article 1134)

According to Musy (2000) the good faith principle is applied by scholars in the formation of contract “the parties must deal in good faith”; the freedom of contract principle, thus, is limited by the good faith principle.

In the Civil Law system, the minimalist view is represented by the French courts, who have not relied on the bonne foi to the same extent that their German and Italian counterparts did. An even more minimalist approach is represented by the common law of England does not recognize any general obligation of the parties to a contract to conform to the standard of good faith. (Musy 2000) To ascertain the presence, function or even scope of a good faith principle it must be noted that, unlike the above discussed civil law systems and few common law jurisdictions such as the United States, there is no general clause or general principle of good faith which applies, even for a particular area of English law. (Pettinelli, 2005) Historically, the common law of England did not recognize good faith. (Tetley, 2004)

As long as a precise definition for bona fide is not given by law and according to the fact that bona fide is closely linked to loyalty, fairness and correctness, I think it is necessary to assess each case and the particular role of the judge is indispensable in interpreting the presence or not of good faith.

To concretize good faith is required an objective position from the judge.

Though the French courts have not given the notion of bonne foi the same importance as the German courts, similar results were obtained by the application of a general theory of abus de droit which was developed at the end of the 19th century and was based on good faith. (Pettinelli, 2005) The doctrine of abuse of rights is closely connected to the principle of good faith. Such an abuse is deemed to occur when a party exercises a right in such a manner that its benefit and the counterparty's loss or burden are unjustifiably disproportionate. A party that abuses its rights is deemed to have acted in bad faith and to have exceeded the powers and legitimate interests protected by the law. Therefore, such a party may be estopped from exercising its right and may also be liable for damages. (Coppola, Traverso, 2010)

According to Hesselink (2004) in most systems, particularly in Germany, scholars have developed methods for rationalising and objectivating the decisions of the court. The purpose is to render the application of the law in general, and of general clauses like good faith in particular, as rational and objective (and thereby predictable) as possible, instead of leaving it to the subjective judgment of the individual judge. The generally agreed method for rationalising is that of distinguishing functions and developing groups of cases in which good faith has previously been applied. In doing so legal doctrine has developed an ‘inner system’ of good faith, which is regarded as the content of that norm. It should be added that the process of concretisation has not been totally identical in all countries.

In Italy the Supreme Court (Corte Suprema di Cassazione) has expressed in September 2009 (Decision No. 20106, 18.09.2009) that the principle of objective good faith, as the mutual loyalty of conduct, should govern the formation, execution and interpretation of the contract and accompanies it at every stage. (Francesca Picierno 2009) The court further noted that the principle of good faith is an instrument that the judge must apply in order to review contractual provisions - and modify and supplement them if necessary - so as to ensure that the parties’ interests are
fairly balanced. (Coppola, Traverso, 2010) The Supreme Court held that a judge must always monitor and interpret the parties’ actions, taking account of their respective positions and determining whether either party has unduly exploited its stronger position - or its counterparty’s weaker position - to achieve its goals. Thus, a judge must interpret the parties' conduct in order to ensure that the parties' contrasting interests are balanced. (Coppola, Traverso, 2010)

5. Conclusions

Good faith is an important principle that does effect or operate not only in the field of contractual relations, but even in family law (The Albanian Family Code articles 60, 262), labour law (The Albanian Labor Code article 153) and property law (The Albanian Civil Code articles 166, 167, 168, 175, 297, 299, 301, 306, 309).

Bona Fides Principle is provided by domestic law and even by international law. It is one of the fundamental ideas underlying the Principles of UNIDROIT (2010) that set forth general rules which are basically conceived for international commercial contracts. According to Article 1.7 “Each party must act in accordance with good faith and fair dealing in international trade. The parties may not exclude or limit this duty”.


“In the interpretation of this Convention, regard is to be had to its international character and to the need to promote uniformity in its application and the observance of good faith in international trade.” (United Nations Convention on Contracts for the International Sale of Goods (1980) article 7 paragraph 1)

The pre-contractual phase that leads to the conclusion of the contract should be traversed by Bona Fides principle. Pre-contractual liability means that in case of lack of good faith, possible damages should be compensated.

Although it is a little hard to understand and verify the existence or the lack of good faith, it is necessary to rely in standards of good faith, in order to protect the parties during the pre-contractual phase and during the performance of it.

Once parties enter into negotiations for a contract, the sweeping language of the cases informs us, a relationship of trust and confidence comes in to existence, irrespective of whether they succeed or fail. Thus, protection is accorded against blameworthy conduct which prevents the consummation of a contract. A party is liable for negligently creating the expectation that a contract would be forthcoming although he knows or should know that the expectation cannot be realized.” Furthermore, the parties are bound to take such precautionary measures as are necessary for the protection of each other's person or property. (Kessler, Friedrich and Fine, Edith, 1964)

It is said that in some systems good faith is regarded- and actually used by the courts - as a means through which the values of the Constitution enter into private law. (Hessenlink, 2004) The lack of a definition by the civil codes and considering good faith more as a moral or ethic norm than a legal norm, makes the objective interpretation role of the judge, indispensable, “breaking” the belief that in civil law system the judge applies the law and does not create it. The judge has to decide and treat each case as unique, evaluating the circumstances of each case.

It may be that not all the facts mentioned in the rule have occurred, but some others have, which he regards as equivalent, so that he finds it suitable that the same legal effect should follow in this case or it may occur that all the facts mentioned in the rule have indeed occurred, but also some other facts which, in the eyes of the judge, mean that the legal effect indicated in the rule should not follow. (Hessenlink, 2004)

According to Herbert Roth (cited by Hessenlink, 2004) good faith is not the highest norm of contract law or even of private law, but no norm at all, and is merely the mouthpiece through which new rules speak, or the cradle where new rules are born. What the judge really does when he applies good faith is to create new rules. These new rules are concretisations, supplementations and corrections to the rules and system of the code.

By interpreting legal norms the judge becomes more creative and less strict.

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Folkloric Axis of Relexified Language and the Subversion of Colonial Cultural Hierarchy

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Abstract

Language has an aspect of universality and another aspect of particularity. Ethnic culture is conveyed through the aspect of particularity, and that is the very point which makes a nation particular and its culture distinct. Colonization by imposing colonial language and non-native cultural poetics perishes the aspect of particularity of the substrate language. However, the counteracting strategy of relexification appeals to the universality of superstrate language to transmit the particularity of substrate language. Ethnic folk stories, myths, mythical elements, fables, parables, proverbs, and idioms are interposed on the colonial language to make ethnic colonized culture universally palpable. In this regard, the aspect of universality is provided by the colonial superstrate language and the aspect of particularity by the colonized ethnic language. In general, because of the ubiquity of mythic elements in time and place, the folkloric aspect of relexified language gives nations the sense of dignified historical background and makes the relexified work relevant to a multitude of societies, rather than just one ethnic local community. This paper deals with the way Chinua Achebe uses the folkloric axis of relexified language to bring the particularities of Ibo culture on universal scale and above all to restore the dignity of Ibo cultural identity which was lost through colonial discourse: “Thus, as represented by Chinua Achebe, and contrary to the discourse of colonial anthropology, Umuofia, the primordial Ibo village emerges as a locus of reflective civility” (Irele 9). Achebe’s relexified language gives voice to Ibo experience throughout the English speaking world.

Language has an aspect of universality and another aspect of particularity. The capacity to speak and order the verbal or written signs in a manner that makes communication possible forms the universal aspects of all languages and derives from the universal fundamental raison d’être of languages regarding the survival of the human against nature. Though, every language is distinguishable from other languages based on the particularity of sounds, words, phrases, narrative structures, and narrative rhythm which overall form the particularity of language. Ethnic culture is carried on through the particularity of language, rather than its universality shared by all races, and that is the very point which makes a nation particular and its culture distinct.

Colonization first and foremost embarks on destroying the particularity of an ethnic language, preserving merely its universality, so that the transmission of culture from generation to generation comes to a dead point. While colonial language brings with it Western canonical literature and imposes non-native cultural poetics which can perish the aspect of the particularity of the substrate language, the counteracting strategy of relexified language appeals to the universality of superstrate language to transmit the particularity of substrate language.

Achebe restores the particularity of Ibo through the universality of communicative means provided by English. In this regard, he resorts to folkloric transposition in which African folk stories, myths, mythical elements, fables, parables, proverbs, and idioms are interposed on the universality of communication of colonial language to make Nigeria palpable for the colonial other, and for those who are “alien” with that culture. Through such technique he imposes the particularity of African linguistic identity on a European text: “Achebe has produced a fictionalized, sociolinguistic study which demonstrates his linguistic principles and evokes that very horror as the direct result of the cultural disintegration which necessarily follows the abandonment of linguistic identity” (Wasserman in Iyasere 84).

Folkloric transposition is the imposition of “conservative or traditionalist” (Ong 40) which Ong counts as a characteristic to set off orality from literacy. In textual cultures, knowledge is preserved in writing system, while primary oral cultures preserve and transmit knowledge through the sayings of the elders, proverbs, myths and so forth:

Knowledge is hard to come by and precious, and society regards highly those wise old men and women who specialize in conserving it, who know and can tell the stories of the days of old. By storing knowledge outside the mind, writing and, even more, print downgrade the figures of the wise old man and the wise old woman, repeaters of the past, in favor of younger discoverers of something new. (Ong 41)
Entangling elements of Ibo literary culture within colonial literary genre subverts the hierarchical walls between the two. This is parallel with the situation Bakhtin describes when folk humor entered Renaissance literature “the walls between official and unofficial literature were inevitably to crumble, especially because in the most important ideological sectors these walls also served to separate languages” (Bakhtin, Rabelais and His World 72).

Ibo folktales, in general, explain Ibo worldview while mythological tales are the basis of oral history as they tell about the origins of Ibo communities, Ibo wars and tribal heroes. And like other societies, myths in African culture explain the wonders of nature, provide the narratives of the creation, and recount the activities of divine beings. Legends, on the other hand, generally describe the actions of people and often commemorate heroes. Unlike innovative current proverbs which form the dynamic aspect of Ibo language, folk tales and myths, transmitted from one generation to the next as embodiment of collective folk mind, constitute the noncreative static aspect of Ibo language while they serve the purpose of oral literature which is not only entertainment but also instruction.

The imposition of myths, legends and folktales upon an African narrative written in European language is for the greater purpose of bringing the local to the universal scale as myths have both national and universal overtones. Myths are by nature collective and communal; they bind a tribe or a nation together in common psychological and spiritual activities. In The Language of Poetry, edited by Allen Tate, Philip Welwright explains, “Myth is the expression of a profound sense of togetherness of feeling and of action and of wholeness of living” (11). Moreover, myth is a dynamic factor everywhere in every human society; it has the capacity to transcend time, to unite the past (traditional modes of belief) with the present (current values) and reach the future (spiritual and cultural aspirations). Because of the ubiquity of myth in time and place, the existence of mythological accounts in ‘national allegories' give nations the sense of dignified historical background. Besides the fact that such folkloric, mythic and legendary aspect of the narrative makes the works (of Achebe) relevant to a multitude of societies, rather than just those of Nigeria.

Spatial and temporal narrative treatments bind the whole stories of Things Fall Apart and Arrow of God with the myth of origin. First, the opening sentence of Things Fall Apart immediately locates Umoufia within uncertain physical borders: “Okonkwo was well known throughout the nine villages, and even beyond” (3). The vagueness with which the narrator indicates the outer limits of Okonkwo’s fame reflects the tribe’s limited awareness of its location in space, of its specific place in the world. According to Ireme, the vagueness of spatial treatment also: “accords with the curious indefiniteness of its name, Umoufia, or “people of the forest,” a name that also doubles as that of the novel's locale, designating a community firmly situated within the natural world” (Ireme 8).

Second, not only the geographical borders of Umoufia are treated with the same uncertainty that we find in myths but also the temporal span of the story are vague:

> The land of the living was not far removed from the domain of the ancestors. There was coming and going between them, especially when an old man died, because an old man was very close to the ancestors. A man’s life from birth to death was a series of transition rites which brought him nearer and nearer to his ancestors. (Achebe, Things Fall Apart 86)

Achebe tries to impose the mythological time treatment of Ibo calendar on his narrative. In the traditional Ibo calendar, there are four days in a week the names of which are derived from the mythology of the Kingdom of Nri; Eke, Oye, Afo, and Nkwo. In such calendar, there are seven weeks in one month and a month has 28 days. Overall, there are 13 months in a year. (See Key to the Igbo language by Vin. Onyema Okeke) The traditional time keepers in Iboland are the priests; the point is clearly referred to in Arrow of God as priest Ezeulu is the one responsible for declaring the harvest time or the beginning of the new moon: “This was the third nightfall since he began to look for signs of the new moon” (1).

Unlike rural novels, with mythological time treatment, in urban novels there are explicit time references as the narrative is approaching the textual qualities of colonial prose. In A Man of the People there occurs a great distance from mythical time by referring to historical facts such as “the postal strike of 1963” (25) during which exchange of letters was impossible. Or referring to Chief Nanga’s taking offence at his being called “M.A. Minus Opportunity”, Samalu writes: “When I first knew Mr. Nanga in 1948 he had seemed quite happy with his nickname . . . in 1964 he was valiantly proving that a man like him was better without it” (26). Apart from clear temporal references, there are explicit spatial references: “I thought I should first pay a short visit to my home village, Urua, about fifteen miles from Anata” (27). Or regarding his girlfriend, Elsie, Samalu lets us know that “Now she was working in a hospital about twelve miles outside Bori” (26).

There are clear references to “the small trading town of Giligili” (41) where Samalu lived as a boy and “the completion of the road between Giligili and Anata” (42).

Mythic temporal references are evident in the language of the people who belong to the social class of adherents of rural traditional culture or the stratum of illiterate villagers. For example, Edna’s father uses a mythic time to refer to the duration of her wife’s illness: “Her body has not been hers since the beginning of the rainy season” (A Man of the People 488).
over the game. In his anger, the hunter shoots the vultures. Max interprets the folktale for the audience: but due to the darkness cannot find it, so he turns back the next morning only to find out that two vultures are fighting

situation of the country for the villagers. He embarks on narrating the story of a hunter who shoots a big game at night, Max in his inaugural political campaign speech does not hesitate to resort to the folk tale to concretize the political
textuality to reflect the advance and ultimate settlement of colonial textual culture are still oral. In

text of his narrative. As a case in point, the tale about the Earth and the Sky in

challenges hunters to shoot at it. Like the nza bird, Okonkwo's affluence blinds him so that he momentarily loses his

sense of time.

Apart

serve the functional end of commenting on current situation. As an instance, the narrated tale in chapter 11 of

interdependency of the masculine and the feminine. Apart from transmitting folk wisdom and cultural values, tales as well

told in Umoufia” (12). Diverse narrative pieces woven together are treated as communal property passed on from one
generation to the next via oral narration. The story of Umoufia is also one that “the old men” (3) agreed was one of the

most laudable exploits “since the founder of their town engaged a spirit of the wild for seven days and seven nights” (3).

Not only the whole account of Things Fall Apart is narrated as a sustained myth, people also lead a life based on

mythic explanations. Ekwefi, Okonkwo's second wife suffers from child miscarriage her previous “nine children had [all]
died in infancy, usually before the age of three” (Achebe, Things Fall Apart 55). Ekwefi links her problem to supernatural
world by believing that “her own evil chi” denies her child. As the result of the matter, Ezinma tries to be linked with

spiritual world by finding her iyi-uw.

In Things Fall Apart, collective folk mind concerning false sense of temporality is explicated via a folktale. Okonkwo
during the Week of Peace loses his temper and beats his wife severely at which point he is described as “the little bird
nza” in allusion to the tale of nza. Nza is a bird which overfeeds itself so much so that it forgets how little it once was and
challenges hunters to shoot at it. Like the nza bird, Okonkwo's affluence blinds him so that he momentarily loses his
sense of time.

Achebe also weaves folk tales into the texture of his narrative to illuminate Ibo community values in both form and
content of his narrative. As a case in point, the tale about the Earth and the Sky in Things Fall Apart emphasizes the
interdependency of the masculine and the feminine. Apart from transmitting folk wisdom and cultural values, tales as well
serve the functional end of commenting on current situation. As an instance, the narrated tale in chapter 11 of Things Fall
Apart concerns a tortoise that could not fly yet claimed to speak for all the birds. The wisdom of the tale concerns the
monologism of state system whereby a single individual or a single stratum claims to speak for all social strata. In Anthills
of the Savannah His Excellency strives to be the single voice and in No Longer at Ease the Western-educated stratum of
elites struggles to win the power dominancy. Achebe in his 1974 essay “Chi in Igbo Cosmology”, comments on the
language of his people, noting that:

Since Igbo people did not construct a rigid and closely argued system of thought to explain the universe and the place of
man in it, preferring the metaphor of myth and poetry, anyone seeking an insight into their world must seek it along their
own way. Some of these ways are folk tales [and] proverbs. (161, emphasis added)

Approaching the stylistic analysis of urban novels it appears that the narrative strategies though lean towards

textuality to reflect the advance and ultimate settlement of colonial textual culture are still oral. In A Man of the People,
Max in his inaugural political campaign speech does not hesitate to resort to the folk tale to concretize the political
situation of the country for the villagers. He embarks on narrating the story of a hunter who shoots a big game at night,
but due to the darkness cannot find it, so he turns back the next morning only to find out that two vultures are fighting
over the game. In his anger, the hunter shoots the vultures. Max interprets the folktale for the audience:

You may say that he was foolish to waste his bullet on them but I say no. He was angry and he wanted to wipe out the
dirty thieves fighting over another man's inheritance. That hunter is yourselves. Yes, you and you and you. And the two
vultures-P.O.P. and P.A.P. . . . (Achebe, A Man of the People 126)
Chapter eight of *Anthills of the Savannah* narrates the myth of Idemili to impart the dangers of seeking power. In the middle of the myth, the narrator also seizes the opportunity to refer to the ancient origin of Nigeria, as ancient as the circulated myths:

*Idemili, travelling through the country disguised as a hunter, saw this and on her return sent a stream from her lake to snake through the parched settlements all the way to Orimili, the great river which in generations to come strange foreigners would search out and rename the Niger.* (94)

The myth is to stress the fact that before the arrival of “strange foreigners”, the land had a history and civilization though the act of renaming the river by “strange foreigners” de-possessed the Africans from their inherited land. Through his relexified language, Achebe is able to give voice to a native Nigerian experience- and on broader scales African experience- throughout the English speaking world.

Achebe’s cultural chronology is an answer to the Westerns who believed that culture and civilization spread from Europe to Africa as the Africans were the inferior race. The extreme form of this view is expressed in Grimm brothers’ classic work *Household Tales*. In the introduction of this classical work it is stated that if any similarities were found between tales told in Africa and those told in Europe, the former should be seen as offshoots of the Indo-European culture: “The Grimm brothers made such a statement because they were working under the prejudice that culture can only spread from a superior to an inferior people, not the other way round—and Africa was of course considered racially inferior to Europe” (Okpewho 7). Moreover, it is stated that if similarities are found between African and European folktales that is because Europeans brought their tales to Africa during the period of slave trade (Thompson 438). In his rural works, Achebe interweaves the local tales which date back to African pre-colonized era. Regarding the point, textual moments of cultural overtones via linguistic or folkloric transpositions are moments of dialogical experience: “Bakhtin will accept that dialogism is only perceptible in very specific textual moments, when linguistic structures-syntactic, lexical or generic- appear as the expression of particular, delimited ‘points of view’” (Hirschkop & Shepherd 9).

While folks, legends and myths enforce rich Ibo cultural history on the language, proverbs impose folk wisdom and make it transfer from generation to generation. In *Things Fall Apart*, proverbs are often used by elders of the clan: “As the elders said, if a child washed his hands he could eat with kings. Okonkwo had clearly washed his hands and so he ate with kings and elders” (6). The contextual interpretation is that although Okonkwo was a young man, he became rich through hard work and personal achievements, and so he became one of the lords of the clan by taking some of the titles that the elder and greater men had taken (Obaa 8).

In *Arrow of God*, we read “We have a saying that a man may refuse to do what is asked of him but may not refuse to be asked, but it seems the white man does not have that kind of saying where he comes from” (86). The example clearly proves that for Ibo people proverbs are more than just sayings but have turned to unwritten folk rules by which people live.

Although in urban novels the style of writing approaches the prose form of Western textuality, the proverbs still run throughout the novel as the reminding residue of poetic language and oral culture of Ibo society. Samalu says “Our people have a saying that when one slave sees another cast into shallow grave he should know that when the time comes he will go the same way” (Achebe, *A Man of the People* 36). Samalu says this proverb when being guests at Chief Koko's house, he and Chief Nanga assumed that Koko was poisoned to death. Witnessing Nanga’s tremendous fear, Samalu, through this proverb imparts the significance that Nanga felt personally threatened, otherwise he did not seem to concern for Koko.

In *Anthills of the Savannah*, the Abazonian elder who takes the honor of introducing Ikem to the crowd, through using a proverb, delicately reminds that Ikem Osodi, the successful editor of national Gazette, is from Abazon: “the cock that crows in the morning belongs to one household but his voice is the property of the neighborhood” (112). In fact the old man is implying that though Ikem is now living in the capital city of Bassa to benefit the State politicians he is from Abazon. Oral cultures made frequent use of sayings and later on the practitioners of literacy followed this tradition: “Literate persons, from medieval florilegia collectors to Erasmus (1466–1536) or Vicesimus Knox (1752–1821) and beyond, have continued to put into texts sayings from oral tradition” (Ong 17).

Moving beyond micro-linguistic features or the strategies associated with translingualism, there are discourse conventions associated with myths, legends, folktales, aphorisms, incantations, tongue twisters and riddles found in the source language. Some Yoruba and Igbo writers have used the conventions of storytelling in their native languages in the stories which they write in English. This has resulted in the production of “two distinctive tribal prose styles” in Nigerian literature (Lindfors 59). The Samoan writer Albert Wendt uses the conventions of Samoan storytelling in his English prose
fictions. He is described as "the true heir of the Samoan storyteller, the tusitala, in that he can reproduce in dialogue many characteristic modes of speech..." (Bardolph 51).

In some case, instead of myths, legends or folks writers impose vernacular philosophies. As a case in point, R. K. Narayan and Raja Rao use Gandhian philosophy in their literary works. Regarding Narayan's novels and short stories, Goswami writes: "Gandhian philosophy is used as a backdrop to the events of day-to-day life" (74). In Waiting for the Mahatma, Narayan narrates the story of Sriram, the spoiled grandson of a rich grandmother, who is drawn to Mahatma Gandhi's philosophy through his interest in one of the followers of Gandhi, Bharati. In Kanthapura, Rao mingles Gandhian philosophy with the narration of an old rustic woman who tells the story of change brought about by colonial imposition.

The imposition of folks, myths, legends, fables, proverbs and vernacular philosophies reminds the colonized that they had a rich cultural history before colonial domination. However, above all these cultural elements have the subversive role of othering the Western reader. Believing that "not all experience can be contained by the English language or the corresponding prevailing European worldview" (Lewis 96), colonized writers imbue their texts with vernacular cultural elements to remind that in the colonized’s eyes the Western reader unfamiliar with ethnic local culture and traditions is the other of the narratives.

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Aujourd'hui, nos écrivains colonisés ont le privilège de nous offrir les perspectives et les valeurs de leurs cultures, lesquelles nous rappellent que même dans les conditions de domination coloniale, les cultures locales avaient une histoire riche. En d’autres termes, les écrivains colonisés ont un rôle subversif en mettant en évidence la différence entre leurs cultures et celle de l'Occident, qui est perçu comme étrangère.

Baeumer & Scaglione. The Emergence of National Languages


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The Juridical Relations in the Criminal Process Between Republic of Italy and Republic of Albania

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Abstract

During the history Italy and Albania, being two neighboring states have had good mutual relations between them. After the democratic changes in Albania in 1991, a lot of Albanians emigrated in Italy. This was accompanied by wide relations between Italy and Albania in the juridical criminal process, as in all areas of life. These relations are of great interest to be studied in-depth, taking into consideration the free movement of the citizens from one country to another, which brings about the breaking of barriers and boarders among states. This study tends to analyze, the Albanian legal basis of the juridical relations in the criminal process with Italy, including: the new internal laws, a series of international acts that Albania has ratified and agreements with Italy. This analysis will be based on a detailed observation, using scientific descriptive and comparative research methods of Albanian and Italian legislation, concluding that Italy and Albania have good legal basis on the cooperation for an effective fight against crime, giving justice and punishment to the authors of criminal acts.

Keywords: law, juridical relations, cooperation, international legal act, criminal process, agreements.

1. Introduction

The formation of modern and sovereign states gained their identity after the First World War and brought about the development of cooperation between different countries, among others, in the field of Law. Jurisdictional relations with foreign states in the criminal process are a special area where the cooperation among different states is obviously seen. These are of great interest to be studied in-depth, taking into consideration the free movement of the citizens from one country to another, which brings about the breaking of barriers and boarders in between states, especially between two neighboring states as Italy and Albania are.

During the history Italy and Albania have had good mutual relations between them. After the democratic changes in Albania in 1991, a lot of Albanians emigrated in Italy. This was accompanied by wide relations between Italy and Albania in the juridical criminal process, as in all areas of life. Jurisdictional relations in the criminal process of Albania with Italy as a foreign state are exercised in accordance with the requirements, procedures and from the institutions foreseen by law. Here we may mainly mention: Extradition, International Requests and the Execution of Foreign Criminal Sentences. This study tends to analyze the steps that Albania has followed through years in the jurisdictional relations in the criminal process with Italy, aiming to show that these two states have good legal basis on the cooperation for an effective fight against crime, giving justice and punishment to the authors of criminal acts. This analysis will include the legal basis of Republic of Albania and Republic of Italy in the field of jurisdictional relations with foreign countries in the criminal process.

2. A short historic overview on relations between Italy and Albania

During the history Italy and Albania, being two neighboring states have had good mutual relations between them. These relations are as ancient as our two countries are and have witnessed a steady binomial interest.

Rome and Benedict had economical, political and cultural relations with Illyrian State. Skanderbeg had good relations with Alfonse the 5th of Napoli. Hundreds and thousands of Arbers persecuted by Osmans after the death of Skanderbeg emigrated in Italy. It is well known the contribution of Italy in London’s Conference for the independence of Albania. After the Independence and the formation of the Albanian State in 1912, Italy was one of the first states which
had diplomatic relation with the government of Prince Vid. After an interruption of relations during the First World War, they restarted in 1920 and would continue to expand during the King Zog government until April 7, 1939. During this period the Italian Culture had a great impact to Albanian people. All the new Albanian laws, among which the Criminal Laws, were created upon the model of the Italian laws.

During the Second World War (1939 – 1945) Albania was invaded by Italian fascists. In February 1947 in Paris it was signed the Peace Treaty between Italy and Albania. The diplomatic relations restarted in May 1949. Since the first years after the war, Italian Governments declaimed fascist aggression of April 7, 1939, considering it only a historic fact and have known the sovereignty and he existing borders of Albania. During the communist regime Albania was isolated. During 80’s it is seen a development of the relations between the two countries, especially commercial and cultural relations.

After the democratic changes of Albania, lots of Albanian emigrated to Italy during 1991 – 1992. This is followed by active relationship between Italy and Albania. In the beginning of democracy in Albania, Italy was evidenced as one of the strategic partners of Albania, assisting and contributing in the reformation of the institutions, economy and the consolidation of the state of law. The actual Criminal Laws in Albania are based on the model of the Italian Laws, besides other European developed countries. The relations between Italy and Albania are widespread in all the areas of life, as: politics, economics, law, etc, which are followed with the ratification of a lot of mutual agreements.

3. The development of the juridical relations in the criminal process in Albania

The development of the Albanian State, and Criminal Law as part of it, has been similar to those around the world.

[Being a product of the development of human society, born and developed together with the state, the criminal law has historic character and is subject to continuous changing process,… It always takes that form and content that respond to the interests of the social system of the corresponding historical era.]1
Original version:
(Duke qënë produkt i zhvillimit të shoqërisë njerëzore, e lindur dhe e zhvilluar sëbashku me shtetin, e drejta penale ka karakter historian dhe i nënshtrohet procesit të përpuinit të e ndryshimit të vazhdueshëm,… Ajo merr kurdoherë atë formë e përmbajte që u përgjigjet interesave të sistemit shoqëror të epokës historike përkatës.)

The beginnings of the Criminal Law in Albania as a branch of the Law in general are closely connected with the formation of the Independent Albanian State and the Vlora Government in 1912. Due to the obstacles which came as a result of the First World War, territorial claims of Albania from some foreign states and the disruption within the country, the efforts of Vlora Government for the organization of the new Albanian State were unsuccessful until 1920.

[The full meaning of the concept of Criminal Law system in Albania can be mentioned only after the approval of the Statute of Lushnja (1920) and the Extended Statute of Lushnja (1922), continuing to the year 1939.]2
Original version:
(Për sistem të drejtësisë kriminale në Shqipëri, në kuptimin e plotë të fjalës, mund të flitet vetëm pas miratimit të Statutit të Lushnjës (1920) dhe Statutit të zgjeruar të Lushnjës (1922) e në vazhdim deri në vitin 1939.)

When King Zog came to power, during the period 1920 – 1928, the organization of justice system was made possible, and the legal framework was completed as well. These were accomplished through the approval of some important laws, among which were the Criminal Code, and the Criminal Procedure Code. These laws were based on the models of European countries laws.

In the period between the two World Wars, the beginnings of juridical relations between different countries started in the world. It’s exactly in this period that the juridical relations with foreign states in the criminal process were introduced to Albania too, where among other things some agreements with other states were signed for the extradition of the criminals.

After the Second World War, with the establishment of the totalitarian communist regime, Albania was in complete isolation, following the principle ‘relying on our own forces’. The Constitution of People’s Socialist Republic of Albania,

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1 Muçi, Sh. (2007), E drejta penale (Pjesa e Përgjithshme) (Criminal Law – General part), Botimet Dudaj, Tirana, pg.12
Criminal Codes and in the Criminal Procedure Codes of this period didn't contain or foresee anything connected as far as jurisdic
tional relations with foreign countries were concerned.

The democratic changes that happened at the beginning of the 90’s in Albania and the transition from a totalitarian sys
tem to a democratic system marked a complete turn in the history of the Albanian State and its institutions. The de
mocratic orientation of the state is followed by several reforms in all areas of life, part of which was Criminal Law. In 1995 the new Criminal Code and the new Criminal Procedure Code were approved, which have an important place in the jurisdict
tional relations with foreign states in criminal process. These codes are built according to the models of contempo
dary criminal codes of some European democratic states (mainly Italy, France and Germany). For the time they were ap
proved, those codes were to some extends according to international standards.

After the democratic changes of 1990, the opening of Albania, the constitutional changes of 1991, followed by other
general legal reforms, brought about the ratification of several International Acts in the field of international rela
tions with other states, like convents, treaties, bilateral or multilateral agreements, etc.

4. The development of the juridical relations in the criminal process between Italy and Albania

Albania has ratified several International Acts in the field of international relations with other states, where Italy as a
member of European Union is part as well, as follows:

4.1. Convention of European Council “On Extradition” of December 13, 1957 and its two additional protocols of
October 15, 1975 and March 17, 1978 (ratified with law 8322, date 09.04.1998); the third additional protocol of
Strasbourg November 10, 2010; the fourth additional protocol of September 20, 2012 (ratified with law 10426, date
06.06.2011);

additional protocols of March 17, 1978 and August 11, 2001 (ratified with law 8498, date 29.06.1999);

4.3. European Convention on “The International Validity of Criminal Judgments” of May 28, 1970 (ratified with law
9068, date 15.5.2003);

(ratified with law 8497, date 29.06.1999);

protocol of December 18, 1999(ratified with law 8499, date 29.06.1999).

4.6. Despite these conventions, with the law 9590 date 27.07.2006 Albania ratified the “Stabilization and associa
tion agreement between the Republic of Albania and the European Communities and their states”. This is an im
tportant agreement in the framework of the stabilization and association of the countries of Eastern Europe to a stabilized Europe where a European Country has the most important role. Through this agreement the parties had the aim to strengthen the
cooperation in a wide range of areas, particularly in justice. One of the commitments of Albania through this agreement is
the development of common interest projects, particularly those related to fight against organized crime, corruption,
money laundering, illegal migration and trafficking. To fulfill this commitment Albania has ratified a series of bilateral or
multilateral agreements on cooperation in these areas, which affect the issues on extradition, international relations in
prosecuting and judging the criminal matters, among them: The agreement between the governments of countries which
are part of the Black Sea Economical Cooperation (2006); Macedonia (1998, 2004); Spain (2009); Leetonia (2010),
Belgium (2011), etc.

[All these treaties follow the same pattern: they contain an agreed definition of the prohibited conduct, oblige contracting
states to criminalize the conduct within their legal systems, provide for certain heads of criminal jurisdiction and ensure the
mutual extradition of alleged offenders.]

4.7 Italy and Albania have signed some agreements in fulfillment of the European Conventions, as follows:

4.7.1 Additional agreement of the European Convention “On the Transfer of Sentenced Persons” of March 21, 1983. It is signed in Rome, in April 24, 2002, with the aim to intensify and facilitate cooperation in relations between the two countries in the implementation of this Convention, considering suitable to fulfill some points of the Convention, with the aim to extend the implementation with other forms of execution of criminal judgments (In Albania it is ratified with law 9169, date 22.1.2004).

4.7.2 Cooperation agreement in fight against crime which is ratified in Albania with law 9799 date 09.10.2007. This agreement is signed on the principles of mutual respect, equality and sovereignty, in order to further develop and consolidate the friendly relations existing between the two countries; aware that the criminal phenomena and related prosecuted crime affecting every sector in both countries, jeopardizing public safety and security, inviolability and physical well-being of their citizens; bearing in order to contribute actively in the fight against crime in all its forms; confirming mutual interest in strengthening understandings to become more efficient and systematic fight against organized crime, migration flows of illegal immigrants, trafficking of narcotics and psychotropic substances, trafficking and other illegal acts between Italy and Albania.

4.7.3 Additional agreement on the European Convention on Extradition of the December 13, 1957 and the European Convention “On Mutual Legal Assistance in Criminal Matters” of April 20, 1959, which aims to facilitate the implementation of these conventions; underlining the common interest to have a quick and efficient mutual legal assistance; to complete and include relevant relationships in the field of legal assistance on extradition, in accordance with the acquits of the European Union on this issue; expressing the confidence in the structure and functioning of the respective legal regulations and the ability of the Parties to ensure the same processes.

5. The Juridical Concept of the Relations with Foreign Countries in the Criminal Process

International relations, among other things, include relations among different states. These relations are studied by the theory of the Law, thus creating a separate discipline, which is defined as:

[The discipline that gained its identity after the First World War, which studies the interactions among states …]4

Original version:
(Disiplina që fitoi identitetin e vet pas luftës së parë botërore, që studion ndërveprimet midis shteteve…)
Legal issues for regulating relations among different countries cannot be limited within the national framework, but they have always acquired an international perspective.

[The principal reason of this new dimension is the increasingly great and strong will of states to cooperate with each other in mutual plan and beyond in function of peace and international security and the guarantee of a sustainable development in all the sectors of life in the country.]5

Original Version:
(Arsyeja kryesore e këtij dimensioni të ri të saj është vullneti gjithnjë e më i madh i shkruhet për të bashkëpunuar me njëri – tëjetin në planin dypalësh dhe më gjerë, ne funksion të paqes dhe sigurisë ndërkomëtare dhe garantimit të një zhvillimi sa më të qëndroreshëm në të gjithë sektorët e jetës së vendit.)

In the framework of globalization of the world, the cooperation among states in the field of International Criminal Law, as in other fields of Law, has been developing with every passing day. This instrument allows different states to organize the “joint repression of certain criminal offences, more specifically those that damaged their collective interests and had a strong transnational dimension.”6 The juridical relations with foreign states in the criminal process are exercised in accordance with the requirements, procedures and from institutions foreseen by law. They are a good possibility for interaction among various countries in criminal field, having as the final aim the effective fight against crime,

4 Uka, Nj. (2011), Fjalor i drejtësisë (Justice Vocabulary), “ILARI” P.F., Tirana, pg.437
5 Zaganjori, Xh. (2012), Jurisprudencë dhe praktikë ndërkomëtare (International Jurisprudence and Practice), Adelprint, Tirana
giving justice and criminalizing the authors of criminal acts, which is one of the duties of the criminal legislation. They are developed in two directions:
- Proceeding (prosecution and judging) of criminal acts;
- The execution of criminal Court decisions everywhere in the world.

5.1 Proceeding of criminal acts

As a result of the extension of free movement of the citizens from one state to another, it often happens that any person in his/her everyday life may commit a criminal act in the territory of a foreign state. According to criminal legislation all over the world, the foreign citizens are responsible for the criminal acts done by them.

Article 7 of Criminal Code of Republic of Albania foresees:

[The foreign citizen, who commits a criminal act in the territory of the Republic of Albania, is responsible for this criminal act based on the criminal Law of the Republic of Albania]

Original version:
(Shtetasi i huaj, që kryen vepër penale në territorin e Republikës së Shqipërisë, përgjigjet në bazë të ligjit penal të Republikës së Shqipërisë.)

In the same time, in the articles 3, 6 of Procedural Criminal Code of Italy, it is foreseen that all the persons: Italian citizens, foreigners, without citizenship, or refugees, who are in the Italian territory, are subjects of the Italian Criminal Law.

On the other hand, committing a criminal act may be presented in various complex forms and more organized cooperation, covering several states and brings as a necessity the carrying out of investigating actions at the same time from various states. This could be realized only through jurisdictional relationships among various states in the criminal process, which is expressed in the mutual legal assistance, foreseen in the European Convention on Mutual Assistance in the Criminal Matters.

[The international exchange of evidence in criminal matters through formal mutual legal assistance arrangements is a fairly recent phenomenon. Realizing that participation in formal arrangements would provide prosecuting authorities with increased access to evidence located abroad. States have become increasingly willing to negotiate mutual legal assistance treaties.]

During the proceeding of criminal matters, the jurisdictional relations with foreign authorities are based in the national legislation and international acts, as: treaties agreements, etc.

[During the first decades of the twentieth century, treaties for the repression of crimes such as counterfeiting, slavery, the traffic in women and children began to emerge and continued to be concluded throughout the century up until the present day, for example to fight 'terrorist' crimes, money laundering, corruption, and so on.]

International acts are obligatory for the state parties, even if the national legislation foresees differently. Once the international act is ratified by a state, the inner legislation should be changed in accordance with the international acts.

[A number of international treaties, which address international (or transnational) crimes, oblige the State Parties to investigate and prosecute the offence in question, or to extradite suspects to another State Party.]

The mutual legal assistance during the proceedings of the criminal acts is made by international requests (rogatory requests) from one country to another. These are mechanisms used by different states to reciprocity cooperate in investigating the criminal matters, to obtain evidences for a certain criminal matter from another state. This can be done with the consensus of the two states, which are parts of these requests. The rules and the conditions to be fulfilled by an

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7 Law 7895 date 27.01.1995, “Kodi Penal i Republikës së Shqipërisë” (Criminal Code of Republic of Albania), Tirana

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international request are foreseen in the inner legislation of the states (mainly, Procedure Criminal Code) and in the mutual agreements between states.

5.2 The execution of criminal Court decisions

The proceeding and the criminal sentence of foreign citizens is often done in their absence, thus the execution of the criminal court decisions from the states which give this sentence, is impossible. This way, it is logical that the execution of the criminal sentence has to be done by the country of residence of the convicted person. The execution of criminal Court decisions is connected with such institutes of law, as: “Execution of foreign criminal Court decisions”, “Recognition of foreign criminal Court decisions” and “Extradition”. The “Extradition” is an interstate mechanism to submit a person in a certain state territory to another state, which is criminally proceeding him.

The conditions and the procedure of the execution of foreign criminal Court decisions and extradition are foreseen by inner legislation and the other International Acts, mentioned above.

6. The Legal Basis of Jurisdictional Relations in the Criminal Process

The International Criminal Law is composed of *jus gentium* and *jus inter gentes*. Referring to these main sources of the International Law, the Constitution of Republic of Albania\(^\textsuperscript{11}\) foresees that:

- The Law is the basis and limits of state activity (article 4/1);
- Republic of Albania applies the binding International Law (article 5);
- The normative dispositions, which act in the entire territory of the Republic of Albania are: the Constitution, the ratified international agreements, laws, etc. (article 116)

On the other hand, the Constitution of Republic of Italy foresees that: Italian laws conform to the generally recognized principles of international law (article 10, point 1).

In this way, the constitutions of both countries accept the principle of prevalence of the international conventions and the international law. This fundamental constitutional principle, at the same time is expressed in the article 696 of the Italian Procedure Criminal Code and in the article 1/a of Albanian Criminal Code, where the bases of the criminal legislation are foreseen:

\[\text{[The Criminal Code is based on the Constitution of the Republic of Albania, general principles of the International Criminal Law, and international acts ratified by the Albanian State. The criminal legislation is composed by this Code and other laws which foresee criminal acts.]}\]\(^\textsuperscript{12}\)

Original version:

\[(\text{Kodi Criminal bazohet në Kushtetutën e Republikës së Shqipërisë, parimet e përgjithshme të së drejtës criminale ndërkomëtare, si dhe në marrëveshjet ndërkomëtare të ratifikuara nga shteti shqiptar. Legislacioni criminal përbëhet nga ky Kod dhe ligje të tjera që parashikojnë vepra criminale.})\]

Based on this, the international relations of Albanian State with other countries in the criminal process are regulated with a series of dispositions of inner Albanian Criminal Law, and the international acts as well, like agreements, conventions, etc.

6.1 The National Legal Basis in Albania comparing with the Italian Law

Parts of the inner legislation of the Republic of Albania that regulates the jurisdictional relations of Albania with other foreign countries in the criminal process are:

- The Constitution
- The Criminal Code
- The Criminal Procedure Code
- Other Laws

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\(^{11}\) Law 8417 date 21.10.1998 “Kushtetuta e Republikës së Shqipërisë” (The Constitution of Republic of Albania), Tirana

\(^{12}\) Law 7895 date 27.01.1995, “Kodi Penal i Republikës së Shqipërisë” (Criminal Code of Republic of Albania), Tirana
6.2. The Constitution

After the change of the political system in Albania, the democratic principles of the state of Law firstly were embodied in the law 7491, date 29.04.1991, “For the main constitutional dispositions” and the law 7561 date 29.04.1992 “For some changes and supplements in the Law 7491 date 29.04.1991 /For the main constitutional dispositions/”, which served as the basis for the Constitution in use, approved in the year 1998. These laws gave an end to the long-term isolation of Albania and opened the road towards the development of jurisdictional relations of Albania with foreign states. The fundamental principles of the Albanian Constitution are similar to those of other democratic developed countries, where Italy takes part.

The Constitution of the Republic of Albania is the highest law. This is foreseen in its article 4/1. Judging from this fact, all juridical – criminal norms are based on the main constitutional principles, thus making the Constitution the basic source of the Criminal Law, as well as for all the Albanian Law in general, as a whole. It is foreseen the same in the Constitution of Republic of Italy, which became in force the 1st of January 1948 and further constitutional laws.

[...the criminal dispositions can’t be in contrary with the fundamental principles of the Constitutional Card and other constitutional laws.]13

Original version:
(...le dispozicioni criminali non possano comunque contrastare con i princìpi enunciati nella Carta Constituzionale o in successive legi costituzionali.)

A lot of norms of the Constitution of Republic of Albania are directly connected with the International Law and the Criminal Law, among which, even with the jurisdictional relations with foreign states in the criminal process. The same happens in the Constitution of Republic of Italy.

The article 39/2 of the Albanian Constitution foresees, that extradition might be allowed only in those matters when it is foreseen in international agreements, in which the Republic of Albania is a party, and only with a court decision. The article 10 of Italian Constitution foresees that the extradition of a foreigner for political offences is not admitted.

The article 121/b foresees that the ratification and denouncing of international agreements from the Republic of Albania is done through the law, in matters when they have to do with the freedom and human rights, and when they have to do with the obligations of the citizens, which can be found in the criminal process too.

The article 122 foresees, among other things, that each ratified international agreement is part of the inner system and is implemented in a direct way or is ratified by law. A ratified international agreement by law has priority over the laws of the country. In the Italian Constitution, the article 10 foresees: Italian laws conform to the generally recognized acts of international law. The legal status of foreigners is regulated by law in conformity with international provisions and treaties.

6.3 Criminal Code

The basic principles upon the Criminal Law are foreseen in the general part of the Criminal Code of Albania. Here are also included the general principles of the jurisdictional relations with foreign countries in the criminal process. Meanwhile, the legal procedures of these relations are regulated by the Criminal Procedure Code and other special laws. The article 1/a of the Criminal Code defines that, this code is based on general principles of the international Criminal Law, and on the international agreements ratified by the Albanian State. The Criminal Code foresees regulations even for the implementation of the Criminal Law for criminal acts committed by Albanian citizens in foreign territories (article 6/2); for the implementation of the Criminal Law for criminal acts committed by foreign citizens (articles 7 and 7/a), or criminal acts committed by a person without citizenship (article 8), and for persons that have immunity (article 9).

Concerning the jurisdictional relations with foreign countries in the criminal process, article 10, “The power of criminal sentences of foreign courts” and article 11, “Extradition” of the Criminal Code, define:

13 Riz, R. (2006), Lineamenti di diritto criminale (Parte Generale”, 5a ed., CEDAM, Padova, Italy, pg. 10
[The criminal sentences given by the foreign courts for the Albanian citizens that prove the commitment of a criminal act are valid in Albania within the boundaries of the Albanian Law, when it is not foreseen differently in bilateral or multilateral agreements … 
Extradition may be allowed only when it is foreseen in the international agreements in which the Republic of Albania is a party …]14

Original version:
(Vendimet penale të dhëna nga gjykatat e huaja ndaj shtetasve shqiptarë që vërtetojnë kryerjen e një vepre penale, kur nuk është parashikuar ndryshe nga marrëveshjet dy ose shumpalëshe, vlejnë në Shqipëri brenda kufije të lëjatit shqiptar…

Ekstradimi mund të lejohet vetëm kur është parashikuar shprehimisht në marrëveshjet ndërkombëtare në të cilat Republika e Shqipërisë është palë…)

6.4 The Criminal Procedure Code

The Albanian Criminal Procedure Code is the basic law that regulates the jurisdictional relations with foreign countries in the criminal process. In its general dispositions, exactly in article 10, it is foreseen:

[The relations with foreign authorities in the criminal area are regulated by international agreements, accepted by the Albanian State, by generally accepted principles and norms of the International Law, and by the dispositions of this Code as well.]15

Original version:
(Marrëdhëniet me autoritetet e huaja në fushën penale rregullohen nga marrëveshjet ndërkombëtare, të pranuara nga shteti shqiptar, nga parimet dhe normat përgjithësisht të pranuara të së drejtës ndërkombëtare, si dhe dispozitat e këtij Kodi.)

In its title X, the Criminal Procedure Code has a series of dispositions where the jurisdictional relations with foreign authorities are foreseen.

The first Chapter of this Title defines regulations on ‘extradition’, not only to another country (articles 488 – 503), but also from another country (article 504). Article 488 defines the meaning of extradition, as: “Giving a person to a foreign state to execute a decision sentenced with jail or the execution of an act that certifies his/her prosecution for a criminal act …”

In this code are defined: the procedures that should be followed by the organs of justice in the matter of extradition; the conditions when this extradition is allowed; the coercive measures and seizures in matters of extradition; and the expenses of extradition as well.

Following, in the second Chapter, the international requests are foreseen, not only from another country (articles 505–508), but also to another country (articles 509-511). In the meaning of these dispositions, the international requests consist of interstate actions, connected with the communication of acts, announcements and gathering the data in the criminal process. These dispositions define: matters when could be proceeded with an international request directed to foreign authorities; competences of the Ministry of Justice, which is the only organ through which requests directed to foreign authorities are sent and vice versa; and the validity of the acts taken from the international requests.

Lastly, in the third chapter, the execution of the foreign criminal Court sentences (articles 512-518) is foreseen, and also the execution of Albanian criminal sentences in other countries (articles 519-523) is foreseen as well. In these dispositions are defined: legal procedures and competent organs for the acknowledgement of criminal sentences; the criteria that should be fulfilled for the acknowledgement of criminal sentences; obligatory coercive measures that could be undertaken during the process of the acknowledgement of criminal sentences; the way of deciding the punishments; and the way of their execution.
The Italian Criminal Code regulates the international relations with foreign states in the criminal process in its 11th title. In its general disposition, article 696, among others, it is foreseen that the extraditions, the international requests, the effects of the foreign criminal court decisions and other relations with foreign authorities in the criminal process, are regulated by the norms of European Convention of judicial assistance of Strasbourg (20th of April 1959); other international acts ratified by the state and by the general principles of International Criminal Law. This article expresses the principle of prevalence of the international conventions and the international law.

The first Chapter of this Title defines regulations on ‘extradition’ to and from another country (articles 697 – 723). In this code there are defined: the meaning of extradition, the procedures that should be followed by the organs of justice in the matter of extradition; the conditions when this extradition is allowed; the coercive measures and seizures in matters of extradition; and the expenses of extradition as well.

The second Chapter of this title regulates, the international rogatory requests not only from another country (articles 723 – 726), but also to another country (articles 727 – 729). Based on the article 723 of Italian Criminal Procedure Code, the rogatory requests of a foreign state are permitted for communications, notifications and evidences. They must fulfill the condition to not violate the sovereignty, the security and other essential interests of the state. These dispositions define: the matters when could be proceeded with a rogatory request; conditions that they must fulfill; the cases when a rogatory request can be refused, their procedures; and the validity of the acts taken from the rogatory requests. In the Italian legislation it is foreseen that the Ministry of Justice is the only organ through which requests directed to foreign authorities are sent and vice versa.

The third chapter regulates the effects of the foreign criminal Court sentences (articles 730 – 741) and also the execution of Italian criminal sentences in other countries (articles 742 – 746). In these dispositions are defined: legal procedures and competent organs for the acknowledgement of the criminal sentences; the criteria that should be fulfilled for the acknowledgement of criminal sentences; obligatory coercive measures that could be undertaken during the process of the acknowledgement of criminal sentences; the way of deciding the punishments; and the way of their execution.

Based on the analysis of the Laws of both countries, it is noted that they have similar dispositions on international relations in the criminal process, in general dealt with: the structure of the dispositions; the juridical concepts; the sorts of mutual assistance, which consists in: extradition, international (rogatory) requests, recognition of foreign criminal Court decisions and execution of foreign criminal Court decisions; the limitations; the procedures and the organs which can exercise these kind of actions. The Laws of both countries are in full coherence with the European Conventions in the field of jurisdictional relations in the criminal process (see part 3) and other international acts.

7. Conclusions

- During the history Italy and Albania have had good wide mutual relations between them, which is expressed in the area of Law as well.
- Jurisdictional relations with foreign states in the criminal process are a special area where the cooperation among different states is obviously seen. It has a greater importance taking into consideration the free movement of the citizens from one country to another, which brings about the breaking of barriers and boarders in between states, especially between two neighboring states as Italy and Albania are.
- Italy and Albania have good legal basis on the cooperation for an effective fight against crime, giving justice and punishment to the authors of criminal acts.
- The legislations of both these countries are similar, in the same time in full coherence with the European Conventions and all other international acts in the field of jurisdictional relations in the criminal process.

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International Law and Environmental Justice

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Abstract

Universal declaration of human rights with emphasis on Non-discrimination between people and right on food for all, struggle to distribute justice for human. Live in healthy environment is one of fundamental rights for human. But the development of civilization, especially since the industrial revolution accelerated the degradation of the environment. Human efforts to protect the environment have intensified since the late twentieth century but most of them have focused on prevention environment destruction rather than its influences on human. Focusing of environmental treaties instead of preventing damage to people, restrict harmful behavior for environment. Similarly, principles of international environmental laws are prevention of Damage to the environment and responsibility for its compensation. In contrast, international human rights completely focus on human; nevertheless, only in two human rights treaties, the right to a healthy environment, are binding. There are no mechanisms for Compensation for victims of human rights violations. Distribution of the sources of pollutants in the world is indicative environmental injustice. Not only in the world but also in the inside of countries, the sources of pollutants are closer to areas which people of color and lower income live. Some believe that environmentalism as new form of imperialism is formed in which developed countries are trying to impose their preferences and priorities concerning environment to developing countries. Also World Bank and IMF impose to developing countries to accept wastes which are exported by developed countries and accept polluter industries in their countries. Environmental justice in connection with procedural justice and political justice are issues that can investigate these claims. This article examines the lack of binding Law or judicial procedure in international law to compensate victims of environmental injustice especially in peace time and discusses Legal remedies in international law against environmentalism in relation with taxonomy of environmental justice.

Keywords: environmental justice, distributed justice, compensation, International human right, international environment law, environmentalism, source of pollutant

1. Introduction

Industrial development after industrial revolution lead to profiting of natural resources without notification to its harmful effects on environment. Increasing in industrial production beget wastes and harmful materials which holding of it make serious harmful damages for people and environment. Bury of polluted materials in industrial countries because of their harmful effect on people, caused many protests against governments and multinational companies. For this reason, some industrial countries export injurious wastes to developing countries. At that time subject of environmental justice become mooted.

In this essay explain about definition of justice in different doctrines in law with emphasize on positive law and the rights of people on food and healthy environment. Than express about duties of governments in protection of environment and state's responsibility. In other chapter explain about taxonomy of environmental justice and remedies which exist in international law in relation of environmental justice with a glance to ambiguities and shortcomings on this legal instrument. Finally, legal suggestion accompany with increasing sanction of international law for investigation to environmental injustice that happens in international community is presented.
2. Justice and law

Human seeks justice and Rule of law has the tendency to bring justice. The concept of justice differs in different doctrines. Individualists believe that the concept of justice is equality and proportion of profits and losses resulting from transactions. So law must provide basis of balancing between the goods which are exchanged without attention to ability and requirement of people. This kind of justice in result of respecting to contracts is created spontaneously and government has not any role in distributing wealth and merits assessment. It means justice as Aristotle said, is exchangeable justice. Individualists believe that whatever two party willing, will be justly so if freedom in contracting and will health provided, justice will observe and complain dose not remain. Convention of the market to artificially mechanism of non-economic impose and mechanism of unequal exchange that governing on the business, indicative that this doctrine is not appropriate to the current time. On the other side sociological positivism government as beneficiary interfere in wealth imperiously. The main object of justice in this doctrine is distributive justice. Aristotle is credited and explained it as "the distribution of honor, wealth, and other divisible of the community, which may be allotted among its members." Distributive justice calls for the fair allocation of the benefits and burdens of natural resource exploitation among and within nations. Also it has been defined as "the right to equal treatment, that is, to the same distribution of goods and opportunities as anyone else has or is given." It is also one of the four-part definitions of environmental justice that will be explained in Taxonomy of Environmental Justice. It seems to us both Individual and community are reality and the aim of law must be keeping the human personality and providing the public interest at the same time. So justice is creating a balance between individual and social benefits. Justice is an interactive and collective concept so that the freedoms of everybody don't hurt to profits and freedoms of others.

2.1 Responsibility of states

During centuries people have been in searching of justice and the result of Years of struggle, manifested in universal declaration of human rights, non-discrimination between people, right on food and living in healthy environment are some of fundamental rights for human that have been emphasized in declaration. The Industrial Revolution and development of civilization changed the circumstance of life and new activity for better life accompanied with some problems for people and environment. Some people for gaining more benefits and welfare act to Actions that were dangerous to society. It caused one of contemporary important developments in civil rights, Principle of responsibility for risk that whereby everybody for profit or welfare effectuates any dangerous act, will be responsible for any accident caused by it, even if cannot attributed any error or omission to him. The theory is also extended to international law. Base of responsibility is only Cause and effect relationship and causation between action and created risk. In fact in distributive justice, in society if any one makes profit and welfare others must take advantages too. In international society, in performing their legal procedures states have not full freedom and are obliged to compensate an injury to others. Basis and origin of international responsibility is two doctrine: theory of fault and theory of risk. According to theory of fault, Act or refrain from acting In opposition to international rules is not enough for international responsibility and it needs fault or carelessness happens too. In conformity with theory of risk any breach or neglect of international rule, cause international responsibility. For example in case of trial smelter in investigation of U.S.A. claim against Canada, for the reason that smoke of steel and cast iron factory polluted Washington State, court of arbitration prescribed in its verdict: if smoke or other pollutions form one country have bad results in the neighboring country, the state that pollutions come from it territory, is responsible for the damages caused by it. The court without any investigation about Canada's fault identified Canada as responsible for this pollution. Responsibility of Canada was merely because of Causal relationship between smoking and entered loss due to activity of factory. It appears that international society tends to theory of risk. UN international law commission usually uses clearer and more objective Vocabulary such as "Wrongful act or behavior" but in all it tends to theory of risk too. In parallel of recognition of classic international responsibility, a new theory about international responsibility is mooted. It is theory of responsibility for non prohibited acts. In spite of theories of risk and fault which according to them obligation to compensation is a secondary, minor and intermediary characteristic, namely at

first an international obligation must be breached than responsibility occur, in this theory compensation and reparation is a primary obligation and it is not pending to previous fulfillment of an international unlawful act. In the other word, merely sustained injury from one country to another will be caused responsibility although the done act or behavior was permitted by international law. In common law legal literature it calls "liability".

With generalization of these theories to international environment law, Brief description is needed:

At first, demolition of environment, within the borders of a country, if do not possess Trans-boundary influence will not cause international responsibility. In the second place, in international environment law, in international responsibility; fault is not the only determined element, in the other word, committing separate dangerous acts also cause international responsibility for states. As a result loss whether is a result from normal act of a factory or be result of breach an obligation the liability of the aplier of damage is undeniable. In the other word, Regardless of origin of damage to environment in other countries (fault or risk), states are responsible in front of damage. The liability to pay compensation by contaminated government is the most important principle on the subject of international environmental responsibility for states.

3. Environmentalism

When Twenty-First century started, the body of human rights law joined on the international scene by a growing body of international environmental law. It was as a result of development of international law and human rights. Apparently it seems these two influential areas of law have different aims and objectives but protection of environment is in line with preservation of human rights. The reason for this assumption is that Live in healthy environment is one of fundamental rights for human and clean water and clean air are the most important elements for human life. for example in introduction of Agenda 21 in section 1 emphasize on unequal situations between countries and lack of health, illiteracy and poverty Is deteriorating also the section 20 of Agenda 21 is about Hazardous wastes and expresses about a kind of questionable new trades, namely transfer of these materials to developing countries. Although Bamako treaty concluded as a defensive measure to prevent entry of hazardous wastes to Africa, but all developing countries are pressurized by developed countries for accepting them. For this reason environmental justice would be understandable. Concept of environmental justice may differ in international, national, and local scope; this article notice to international aspect of it.

At the international level claims that governments and multinational corporations are exploiting native peoples and the impoverished conditions of developing nations. The United States Environmental Protection Agency (EPA) defined “Environmental justice” as the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, culture, education or income, with respect to the development, implementation and enforcement of environmental laws, regulations and policies. Also professor Bunyan Bryant defines environmental justice as referring "to those cultural norms and values,rules,regulations,behaviors,policies,and decisions to support sustainable communities, where people can interact with confidence that their environment is safe,nurturing,and protective."

For example imagine a developing country with oil resources. In developing countries usually environmental regulations are well-developed but enforcement of them is minimal. Oil companies, for more benefits, using this lax enforcement to employ less expensive but environmentally unsound practices. With creating open waste pits and flare huge quantities of natural gas, leak of harmful materials will started. Consequently sever land pollution results and drinking water becomes unsafe. Domestic animals die and community members experience a variety of health problems. This is exactly what happened to the oil extraction in the Caspian Sea. This sea In terms of fisheries, climate and economic is very important for people of South Coast of Caspian sea in Iran. Entry 122 thousand tons of oil pollution in the Caspian Sea such 304 tons cadmium and 34 tons lead per year, cause increasing pollution in Caspian Sea. With notice to this point that 16 of petroleum derivatives are carcinogenic, Danger that threatens the South Coast people become distinct.

One of coastal countries in Caspian Sea regardless of the environmental benefits of other countries action to extraction of oil in Caspian Sea without observance needed standards for environment protection that devastating effects of it, mentioned above. Considering the harmful effects of non standard operations in oil extraction on fishery and health of people who live in coast of the sea, can explicitly claim that an environmental injustice is happening. The same

3 Definition available at:  http://www.epa.gov=environment=resources=faqs=ej=index.html #faq1> (last accessed 16 April 2007).
5 Director of Research Institute of Caspian Sea with Shargh newspaper 10 may 2011
behaviors were done in recent decades, for example in August 2006 by a Dutch company with income equivalent to 28 billion dollars, buried 500 tons of toxic waste in the Ivory Coast in West Africa because it did not want to pay the $250,000 cost of eliminating it in the Netherlands. At least 10 people died as a result of inhaling the stench, 69 people were hospitalized and more than 100,000 people to the health care they need. Another example, by reports that a Taiwan plastics company, unable to find a location in Taiwan to dispose of its mercury wastes, shipped the hazardous waste to Cambodia, where it ended up in an open pit, killing a local worker and threatening water supplies. Lawrence Summers, now Secretary of the Treasury in the Clinton Administration, argued that, regardless of distributive justice concerns, the World Bank should encourage more exportation of waste to the least-developed countries: “I think the economic logic behind dumping a load of toxic waste in the lowest-wage country is impeccable and we should face up to that.” Behavior of multinational corporations in developing countries has led the definition of environmentalism as a new form of imperialism, whereby the rich, developed countries impose their environmental preferences and priorities on the poor, developing countries. Using two kernel of truth, they obscure the relationship among free trade, environmental protection and social justice. First one is that Wealthy countries said that environmental protection is a luxury that developing countries can ill afford and second one is that industrialized countries have generally played a leadership role in the protection of the global environment. This claim is confirmed by the behavior of some big companies. Is there any Deterrent natural feedback mechanism in this Chaos Trade market?

3.1 Environmental Justice

Environmental justice in four-part is classified; (1) distributive justice; (2) procedural justice; (3) corrective justice; and (4) social justice. For understanding the meaning of aspects of environmental justice have to refer to the definitions made by scholars. Dr. Bullard identifies distributed justice as “geographic equity” referring to the location and spatial configuration of communities and their proximity to unwanted land uses. The Principles of Environmental Justice address distributive justice when demanding that all peoples be free from any form of discrimination and calling for universal protection from, and the cessation of the production of, harmful materials and wastes. Distributive inequities not include only threats from pollution or the loss of natural resources. Noise, odors, blowing trash, aesthetic concerns, increased traffic, termites, decreased property values and uses, fires, accidents, psychological harm, and other nuisance or quality-of-life impacts also may support a claim of distributive injustice.

Aristotle referred to procedural justice as a status in which individuals have an "equal share in ruling and being ruled" fairness of decision-making process is one of its aspects. This aspect of environmental justice is termed "procedural equity" by Dr. Bullard. and professor Kaswan refers to it as "political justice" it means achieving environmental justice will require changing the political dynamic so all groups are treated fairly in decision making processes. Must be notice that the fair outcome is more important than participation in a process. Governments should be obliged to collect and analyzes data on environmental exposures and public health and help to forming decision making processes with equitable out come.

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6 Dixon Norm, Change the System- Not the Climate, Green Left Weekly, January 26, 2007
8 Let Them Eat Pollution, Economist, Feb.8, 1992 at66.
9 Bullard, Overcoming Racism in Environmental Decisionmaking, supra note 1, at 13; Bullard, Dumping in Dixie, supra note 1, at 116.
11 See, e.g., North Baton Rouge Env'tl. Ass'n et al., Complaint Under Title VI of the Civil Rights Act, No. 10R-97-R9 (June 8, 1998) (alleging broad range of nuisance and quality of life impacts from proposed landfill in Alsen, Louisiana); see also Office of Civil Rights, U.S. EPA, Draft Revised Guidance for Investigating Title VI Administrative Complaints Challenging Permits §VI.B.2.a & app. A (June 2000) (adverse impacts, or “stressors,” may include physical factors such as noise and odors), reprinted in 65 Fed. Reg. 39649 (June 27, 2000) (available from the ELR Document Service, ELR Order No. AD-4516) [hereinafter Draft Revised Title VI Guidance].
12 Steven J. Heyman, Aristotle on Political Justice, 77 Iowa L. Rev. 851, 863 (1992); see also Aristotle, Politics Ill.13 (Carnes Lorde trans., 1984).
14 Kaswan, supra note 1, at 224.
Corrective justice is third aspect of environmental justice which involves fairness in the way punishments for law breaking when damages inflict on individuals and communities are mooted. Aristotle referred to this aspect of justice as “rectificatory” as “it treats the parties as equals and asks only whether one has done and the other suffered wrong, and whether one has done and the other has suffered damage”; if so, it attempts to restore the victim to the condition she was in before the unjust activity occurred.15

Corrective justice includes the concepts of “retributive justice,”16 “compensatory justice,”17 “restorative justice,”18 and “commutative justice.”19 And forth aspect of environmental justice is social justice that defines as “that branch of the virtue of justice that moves us to use our best efforts to bring about a more just ordering of society—one in which people’s needs are more fully met.”20 “The demands of social justice are . . . first, that the members of every class have enough resources and enough power to live as befits human beings, and second, that the privileged classes, whoever they are, be accountable to the wider society for the way they use their advantages.”21

4. Environmental justice and International Environmental law

Nowadays, the most International Environmental agreements including global and regional treaties about environment like final declaration of RIO conference and the agenda 21 pay special attention to responsibility of states in protection of environment. In 1992 United Nations Conference on Environment and Development (UNCED) produced agenda 21 which is an voluntarily implemented action plan but non-binding Helsinki Rules in1966 emphasize “prevent any new form of water pollution or any increase in the current levels of pollution which cause substantial damage to shared water between states” is duty of member states. In article 3 of Montreal Rules regarding enforcement international law of cross-border pollution are mentioned “states are committed to prevent and reduce of cross border pollutions and care of it, so that do not cause damage to the environment and land of other states “ also In article 30 of Charter of economic rights and duties of states 3281(XIX) which approved in 29 session of General Assembly of UN is mentioned:” the protection, preservation and enhancement of the environment for the present and future generations is the responsibility of all states. All states shall endeavor to establish their own environmental and developmental policies In conformity with such responsibility. The environmental policies of all states should enhance and not adversely affect the present and future development potential of developing countries. All states have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other states or of areas beyond the limit of national jurisdiction. All states should cooperate in evolving international norms and regulations in the field of environment. All these represent a global commitment to protect the environment; however we must consider that With the exception of a few of multilateral treaties that have been established characters for the monitoring of environmental violations,22

15 Ellen Frankel Paul, Set-Asides, Reparations and Compensatory Justice, in Nomos XXXIII: Compensatory Justice 97, 100-01 (John W. Chapman ed., 1991) (citing Aristotle, Nicomachean Ethics,1132 a, 4-7 (Martin Ostwald trans., 1962)).
17 Paul, supra note 119, at 102-03; Been, supra note 60, at 1047 & n.248. Compensatory justice attempts “to bring the victim to the condition he would have been in, or its equivalent, had the injurious event never occurred.” Paul, supra note 119, at 103.
18 Richard O. Brooks, A New Agenda for Modern Environmental Law, 6 J. Envtl. L. & Lilig. 1, 27 (1991). Professor Brooks distinguishes corrective justice (correction of environmental abuses) from retributive justice (retribution or punishment for environmental abuses or violations) and restorative justice (the fair restoration of nature). Id.; see also Thomas M. Hoban & Richard O. Brooks, Green Justice: The Environment and the Courts 167-68 (1996). Aristotle’s rectificatory justice is also restorative in that “it attempts to restore the victim to the condition he was in before the unjust activity occurred.” Paul, supra note 119, at 101.
19 See Taylor; supra note 1, at 537. According to Professor Taylor, “corrective or commutative justice” is “concerned with the way individuals are treated during a social transaction.” Id.; see also John Finnis, Natural Law and Natural Rights 177-84 (1980) (tracing the origins of and explaining the term “comutative justice”).
21 Id. at 626. Rodes observe that efforts to reform unjust institutions and achieve social justice give rise to a class struggle: “The victims have a stake in reform, while the beneficiaries have an equal stake in the status quo.” Id. at 624.
resolutions of general assembly and other treaties about environment are soft law so they are not mandatory. As mentioned above, we study aspects of environmental justice in international community therefore must study it in frame work of international law. We have in mind two categories; responsibility of states and international environment law. in regard to Caspian Sea responsible of states is disputable because Caspian Sea is common between five countries. Iran plans to act on treaties of 1921 and 1940 but these treaties have not mentioned of how to use the resources of the sea bed. Also base on the 1982 convention of Sea law, lakes are not covered by this convention and the legal regime of lake must be originated by coastal states but landscape of legal regime of Caspian Sea is hazy. Hence Environmental issues have been overshadowed by political issues because of all states lean to use seabed resources. As a result there is no treaty between coastal countries about protection of environment of Caspian sea which breach of it cause state responsibility. Therefore no legal authorities are available for People who have suffered from a non-standard oil extraction. In cases like Cambodia and Ivory Coast in West Africa, subject is in the domain of Private Law and because of Multinational companies are not follower of international law and treaty between a multinational company and state if it do not include a breach of international law, don't cause responsibility for state.

4.1 Remedies of International Law in relation of sanction of Law

Abstaining from environmental degradation that threatens the right to life is a fundamental norm of customary international law; nevertheless, international law lacks sufficient means to compensate actions which are detrimental to the environment. Because being efficacious of environmental regulations due to their global nature requires international cooperation. In the global level no jurisdiction court with compulsory competent or supervising or license of execution the rules of transformative international environmental law, has been established. In the other side, although International Court of Justice has competence to investigation to environment disputes, but in past forty years no claims have been investigated while that its competence is limited to states disputes and individuals, companies and other NGOs have not capacity to claim in ICJ. In part related to international criminal law, although in draft of international law commission concerning responsibility of states express in article 19(d) "serious breach of international obligation that for protection and preservation of human environment possess of greatest importance" is international crime, charter of ICC about investigation to environmental claims remain silent. In absence of an international investigator reference for environmental crimes; The rich developed countries, because of having more shares in world's economy and its powerful political effects, dominate decision-making in the International Monetary Fund (IMF), the World Bank, the World Trade Organization (WTO), and multilateral environmental treaty assemblies. While they can present alternatives points of view, the preferences of the powerful generally dictate the substantive outcomes.

5. Conclusion

International environmental law may not be able to address all of environmental injustices challenges anytime soon. Regrettably, the discourse of international environmental law is often technocratic and unhistorical. Revise in international environmental law with justice at its core may facilitate the development of international environmental regimes that are more effective and more responsive to the inequities in global resource allocation. Also it seems to us competence in adjudication claims mooted by NGOs, worker's syndicates, racial and regional unions about environmental injustice must be added to charters of ICC and ICJ. Another alternative is organizing an International tribunal to deal with environmental offenses with competence in adjudication claims mooted by private and general individuals claims must be about environmental damages so that the whole community benefits affect. Also court can obligate public prosecutor to investigate problems of international environment. States, individuals, regional unions and NGOs would have the capacity for litigation to public prosecutor. Creating an international court will straighten

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motivations of supporting the protection of environment and increase availability of efficient judicial mechanisms at the global level.

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Albanian Railway in the Framework of European Integration: An Overview and Development Opportunities in the Future

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Abstract

Albania is a country that aspires to gain candidate status and after that the membership in the European Union. Our country has signed Stabilization and Association Agreement with the EU in 2006. From the signing of this agreement derive standards and obligations to be fulfilled, in order to be at the same level or close to the countries that are EU members. Reconstruction of the railway and standardization of their European levels is one of the most important tasks. To this day, in this sector is made little progress that hinders economic development in the country. Member states have already implemented the four guidelines for railways, while in Albania; this kind of transportation is neglected. In this paper we will discuss issues related to the problems that Albania railway system is currently facing, efforts made to their Europeanization and development opportunities in the future.

Keywords: EU standards, guidelines for railways, economic development, barriers to development

1. Introduction

Albania’s economy is evolving. The geographical position of our country is very favorable for the development of commercial activities between states. Almost all domestic economy is already entered in the wake of capitalism. Even the few state-owned enterprises that existed until a few years ago are almost entirely privatized. Others have been granted to concession over the last 8 years. Following the signing of the Stabilization and Association Agreement with the EU, Albanian state has taken steps to eliminate monopolies and trusts in the economy. As a result of these continuous efforts, most of the local markets have been deregulated. Markets started to open up in 1992, peaking in 2000 when Albania became a member in the World Trade Organization.

Currently, Albania has the lowest rate of imports in the region. In recent years our country has signed different regional agreements to deregulate markets. Most important among them are: CEFTA and the free trade agreement with the EU. Based on these agreements, Albania has the right to export goods without tariffs or low tariffs towards the EU. In the wake of these agreements, Albania is an important partner in EU exports with almost 77% of products and 62% of imports.

The Albanian government decided that all public enterprises would be privatized in 2010. This initiative was criticized because during the global crisis period, the costs would be much lower than in normal periods. Albanian Railways is one of the public enterprises which remain in the ownership and management of the Albanian state. It is the only one which doesn’t serve the economic development of the country, due to the wide problematic it bears. The network rail transport in Albania is currently very backward. Although our country is bound by the obligations deriving from the signing of the SAA, no progress has been made in this direction. Of the four EU directives on liberalization and restructuring of the railways, none has been implemented yet in Albania.

There are few related studies in the Albanian language. Given that railway infrastructure has been almost abandoned, the focus of academic research has not affected this field. Thus, in order to conduct the study, there were used studies related to the field of railway infrastructure. There is a noticeable lack of materials for the conduct of studies.
which have been undertaken by the state government or NGOs. As a result of the attention paid to the improvement and construction of road infrastructure, there has been a lack of attention to the railways.

The main purpose of this study is to establish a broad overview of the railway system in the country, to identify strengths, weaknesses, opportunities and threats. It is also intended to identify the steps to be taken or the ones unimplemented in the framework of the European directives and standards regarding railway infrastructure in Albania. The contribution of this study consists in the fact that it will serve as a basis for future studies that will be conducted regarding the implementation of EU directives in Albanian railways.

The hypotheses of this study are:

- Have the EU directives on railways been implemented in Albania and what are the related barriers?
- Identification of the opportunities and barriers to the development of such transportation in our country.

These hypotheses were raised, in order to create a clear picture of the situation of the railways in our country.

1.1 Research methods

This study is a qualitative research. It employs the evolution and characteristics of railway system in Albania. The purpose is to find out how railway in Albania can provide an economic development. The case study was written based on literature, official data from Albanian railways, and round tables with experts of the field, economy, sociology, business etc. All these sources and discussions gave us information to prepare this paper. We must point out that the lack of the official information about the railway in Albania.

2. Railway deregulation in Europe

Over the last decade the railway industry has suffered negative effects of globalization and unexpected changes due to the development of various businesses. These effects are in fact associated with the fragmented nature of such transport in Europe as well as the fact that the railways have been for a long period of time part of very low income and budgeting. The European Union has initiated and approved three strategic packages of directives in order to recover and meet the needs of this important sector of transport. The 3 most developed European countries regarding rail networks are Germany, Great Britain and Sweden (Simola & Szekely 2011).

The failure of market liberalization in Europe has a variety of reasons, and we can mostly mention fragmented licensing scheme, the lack of interaction of regional railway with the international one, the lack of licensed rail drivers by the EU, transportation means, and allocation of security systems. (Di Pietrantonio & Pelkmans 2004).

Railway transportation brings social advantages in different aspects. We can mention the fact that if a person is employed or not, it can directly affects his perception on the benefits offered by the railways. This transport serves him to go to the workplace. If someone is involved in a group or political activity, it is also important. This benefit is also followed by the fact that there is no requirement for the passengers to be subjects of entry control recording, etc., as there is required in air transportation. Social support is another advantage; it consists in the fact that railway costs provided, favors individuals in reaching different locations, meeting their needs by being close to family members, friends and neighbors. Last but not least is participation. This mode of transport enables users to pursue their hobbies, participation in various events, organizing activities, etc. We should emphasize that the key social benefit it offers is mobility. Lack of such aspect, would cause barriers of transportation to workplaces, difficulties in organizing trips for pleasure, education, health needs, shopping, participation in social and artistic events. Thus, mobility is what enables individuals to engage in social life. (Deloitte 2011)

Other advantage associated with rail can bring the fact that trains can be loaded with higher weights in comparison with weights the road vehicles can carry. (Which is its main competitor)? Number of people, goods being transported on a train is several times higher than what road vehicles can carry. In this case, we also note the increasing efficiency of Railway Transport. This benefit brings as a result lower ticket prices or travel costs, thus other consequential benefits derive. (Deloitte 2011). In the recent years it has been noted much governmental efforts aiming to promote the development of this sector in order to increase efficiency, reduce deficits and improve quality of service (Gomez-Ibanez 2004).

In developed countries, heavy transportation means for freight are forced to pay higher prices for damages caused to roads by heavy vehicles. Besides fuel costs, heavy vehicle tax increases the cost of transported goods. This brings disadvantages to road transport in comparison with rail (Deloitte 2011). Efficiency of a market depends on the relationship between the operating company, infrastructure and governmental agencies. But this activity process works differently
from country to country. On the other hand, the price pressure is still strong in the rail market for various reasons. Reasons can include consumer trends, focusing on the fact that consumers demand more and pay less for services offered (Simola & Szekely 2011).

The following table will demonstrate an overview of the methods of competitiveness and market structure (adapted from e Laisi 2009 which has adapted table from Baye 2005 & Begg 1994: 157)

<table>
<thead>
<tr>
<th>Features</th>
<th>Optimal Competitiveness</th>
<th>Monopolistic comp.</th>
<th>Oligopoly</th>
<th>Monopoly</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of companies</td>
<td>several</td>
<td>Several</td>
<td>Little</td>
<td>One</td>
</tr>
<tr>
<td>Ability to cost competitiveness</td>
<td>None</td>
<td>Limited</td>
<td>Several</td>
<td>Considerable</td>
</tr>
<tr>
<td>Barriers to access</td>
<td>None</td>
<td>None</td>
<td>Several</td>
<td>Entire</td>
</tr>
<tr>
<td>Product</td>
<td>Homogene</td>
<td>Differentiated</td>
<td>Hom. And diff.</td>
<td>Exclusive</td>
</tr>
<tr>
<td>Example</td>
<td>Agriculture</td>
<td>Fast-food</td>
<td>Vehicles</td>
<td>Postal offices</td>
</tr>
</tbody>
</table>

3. Benefits of Railway

In 1991, discussions began on the idea of liberalization of the railway market in Europe. According to Directive 91/440/EC, the railway transport in Europe would be part of the open competition. This would be achieved through market access of different operators. The railway would not be a monopoly of the state or a single or two companies. Despite the announcement of this Directive, it took 10 years to the implementation of other steps, which were linked to 3 next related directives. The implementation of these directives intended to increase the rate of importance and value of rail transports in Europe, making it competitive by bringing the access of different operators. Rail transport is considered more eco-friendly, and it also offers lower fees than other ways.

3.1 Four packages for railways in EU

There were 4 packages provided for the railways in the EU countries:

1. The first package was adopted in 2001. It consists of 3 directives, concerning the improvement of competitiveness in the related industry, international cargo transportation as well as infrastructure capacity utilization. Under this package, the financial sector suggested separation of transport of passengers, goods, and creating management of a self-financing structure.

2. The second package was adopted in 2004 and consists of directives related to railway transportation security conditions in Europe. Under this package, after January 2007, the international railway transport of goods would be set by the legal framework of the European Railway Agency.

3. The third package was adopted in 2007. It consists of guidelines suggesting liberalization of international passenger transport in Europe in 2010.

4. The fourth package was adopted in 2010.

When discussing the benefits of railways, deregulated markets and models to be adopted in order to recover this type of industry, we should strongly take into this sector’s long history. In 1949, several states created the Council of Europe, followed by the Common Market enabling commercial exchanges of goods and individuals among member states. This important initiative dated in 1957 was followed by a single market in 1993 called “four freedoms” (History of the EU 2008) for freight, movement of individuals, services and money (EU 2009). Free movement of goods was followed by the need for transportation in the countries of the European Union. The next initiative was Directive 91/440, whereby the railways operational structure should be separated from infrastructure management (Di Pietrantonio & Pelkmans 2004, the European Union 2009).

3.2 Carte Blanche

This Directive was followed by the Carte Blanche in 1992, which brought the idea of deregulation of transport market1. It was followed by a second Carte Blanche entitled "Strategy for the revitalization of the railway community", which came out in 1996. According to this strategy, it was believed that the railways would play an important role in economic

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1 Carte Blanche is a report on the form guide that addresses the problems and the ways they can be resolved (Laisi 2009)
development in the future of Europe. In addition, road traffic would be partly transferred to the railways, considering that roads would be less problematic (Di Pietrantonio & Pelkmans 2004; Makitalo 2007; Laisi 2009; European Union 2009). In 2001, a new Carte Blanche was approved by the European Commission called "European Transport Policy for 2010: time to decide". In this paper was emphasized the idea of rail transport development and the creation of a balance between road transport. The goal was the revival of the industry, but what made it most important was the effort to push EU member states to support their transport system in terms of social, economic and environmental prospective. (Makitalo 2007; European Union 2009; Summary of Carte Blanche 2001).

4. Albania and Europeanization of Railway

Albanian Railways is a state monopoly. It bears the status of joint company and is supervised by the Ministry of Transport and Public Works. This company has full rights on all sectors of railway, such as possession of railway infrastructure and operations, finance, human resource management etc. AR operates in the market as a single (exclusive) company without the existence of other competitors. Its role was provided by the Railway Code, which was approved by the parliament. Every year AR issues a balance statement, ranging a debit amount of 2.1 million dollars (20,052,009). It is quite unlikely to recover operational costs.

The Albanian government decided that all public enterprises privatized in 2010. This initiative was criticized because of the global crisis period prices are several times lower than in normal periods. Albanian Railways is one of public enterprises remains in the ownership and management of the Albanian state. It is not only serves the economic development of the country, since it carries wide problem. Network Rail transport in Albania is currently very backward. Although our country is bound by the obligations deriving from the signing of the SAA, no progress has been made in this direction. Of the four EU directives on liberalization and restructuring of the railways, none has been implemented in Albania.

4.1 The role of government

Due to the favorable geographical position, low cost of using this transport, the fact that it is a developing country and that adheres to gain full EU candidate status, the Albanian government should encourage public and private initiatives for rail development. Public-private initiatives will expedite the process of reconstruction and modernization of its railway network. It is easier that reconstruction to be done by private operators than from public funds, taking into consideration that the most important are freight transport. The support of governing bodies consists on policies drafting for partial or full privatization this sector. Countries that have applied rail liberalization appear to have succeeded. Liberalization would encourage the entry of new technologies conform to European standards and beyond, and will encourage a healthy and fair competition between private operators. In this way, it would become possible the rapid development of this sector and reducing costs as a result of numerous competitors. The main role for public policy in transportation in Albania is for making decisions related to infrastructure investments. These decisions include both the amount of funding to be delivered from government sources as well as other issues such as zoning and density decisions and protection of right-of-way for future rail and road corridors. In this sense, the role of Albanian government is forward looking. It must envision a likely and socially acceptable future and plan for the according infrastructure investments in our country. Major investments should focus on the maintenance of the existing network, through the modernization and rehabilitation of existing lines, building new roads, repairing or replacing track, tunnels, electrification of networks, security control, system of access to energy and infrastructure, communications, computing, environmental protection measures. Government should encourage investment in order to restructure and expand the network in the following areas:

- Total reconstruction of existing network
- Building Pogradec -Qafe-Than line, in order to be connected to Macedonia
- Construction of Milot – Morine line, in order to be connected to Kosovo
- Building Han -Hoti Saranda line
- Construction of a rail line to Rinas Airport

5. Discussion

Rail is a sector where today’s policy decisions will seriously affect the future of Albania. There is a need for policy action to overcome current network constraints and realize the true value of rail to the Albanian economy. Bold policy decisions
towards public transport, should be considered. For this reason, policy-makers should focus on the fact than how good can accommodate the future of transport in economic growth. Investments in railways should be made through public-private funds. Government should be involved mostly in metropolitan railway. Linking residential areas with the infrastructure should be a priority for public policy. On the other side, private operators should be encouraged to develop other areas, mainly freight transport, industry development. Government should focus on addressing of existing deficiencies in high costs of road transport, to make proper investments. Failure to act will tie Albania further in to road based transport and would not allow the realization of increasing returns to scale, environmental, productivity and social gains that could be seen if rail networks were encouraged to grow.

During the latest 22 years there has been a huge demographic movement in Albania. The people of rural regions moved to big and industrial cities. Thus, the population of the cities grows numerously. As a result, the transport ways of communication became more and more necessary. For policy decision makers, thought must be put towards how rail infrastructure will be integrated into a transportation system. The transport system must be both able to cope with demographic movement. An effective solution to develop the railway is to separate the government from running the railway, (management and operations). Actually all the operations as policy making, investments, management of tools, human resources are under the Ministry of Transport.

6. Concluding remarks

Some recommendations deriving from this research are:

- Building of a new railway network in Albania needs a project studied in detail according to EU standards
- Providing a law for railways in Albania according to EU standards
- Ensure managerial independence of the infrastructure manager
- Improve corporate governance in state rail company
- Strengthening licensing bodies as foreseen in the EU Rail Directives
- Organize the railway around costumer needs, instead of territorial structures or railway branches
- Avoiding creating new companies which do not face market demands. In Albania there is already a unsuccessful railway company
- The railway network would make possible good progress of economy and social. It would make possible a connection between Albania, Macedonia, Montenegro, Serbia and over wide in Europe
- The Albanian government must continue the reform process of railways where the deregulation is the most important point except for the aspects (operational, financial and institutional reforms)
- Railway in Albania should be orientated to development policies based on European market standards and rules, quality transport services according to market expectations
- Albanian Government should hire a set of case studies and references to other relevant documents on European railways, which are successful
- There is a need of international donors to support the development and restructuring of Albania Railway (to attract big companies to invest in Albania)
- Attracting of foreign investments for concessions
- Improvement of the legal framework for liberalization of rail market in order to increase the quality of rail freight transportation in Albania
- The privatization of railway should be performed through transparent competition according to the concession law, recently approved by Albanian Parliament
- Increase of management autonomy
- Reduction of staff (HSH has the biggest staff in Europe and this is unnecessary)
- Crucial organizational restructuring
- The urgent reduction of operational costs and state subsidy
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Research on the Writing History of Arabic Rhetoric Studies and its Importance

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Abstract

Now the situation studies in Arabic Rhetoric in Malaysia, especially in the field of Islamic studies such as misinterpretation of the Quran were less emphasized. This problem may stem from a lack of knowledge disclosure Rhetoric since in school, higher education and society in general. Learning Arabic is mostly just focused on knowledge of grammar and morphology without involving Rhetoric. Therefore, the objective of this study is to make a review of the early history of the development of pre-Islamic Rhetoric again until the eighth century as exposure to entice the attention of the community to Arabic Rhetoric and explain its significance. Library research method chosen to obtain the necessary data from the book of Arabic Rhetoric tradition. As a result, it is evident that the persistence of the scholars of the past do a research field with many other Arab Rhetoric inject motivation to researchers now. Leading works by al-Jurjani has opened a new dimension to the theory of Arabic Rhetoric al-Nazm (diction is the choice of words and sentence patterns appropriate to the situation). Its importance is very helpful to understand the Quran better.

Keywords: History of Arabic Rhetoric, Arabic Rhetoric and The importance of the Arabic Rhetoric.

1. Preliminary

Knowledge of Arabic Rhetoric has its own historical development. Basically, it goes back to before the Quran decline as time goes by uncivilized time is, famous for its progress in terms of Arabic literature such as poetry and so on. Criticism Arabic language and literature, including aspects Rhetoric is also discussed by the great Arab Literary Man including their own poetry Rhetoric value of its own. Put simply the starting point and the historical development of Arabic Rhetoric is very interesting to follow because to have originated in uncivilized times more before the birth of Islam.

2. Writing Arabic Rhetoric

Rhetoric refers to the development as it has been tried, have been concluded, a sign of knowledge is the existence of
Rhetoric began literary criticism among Arab writers. When poetry or prose submitted by the poet or orator in a meeting, it will be evaluated and criticized orally by great writers of the time. While aspects of this study also writing Rhetoric put time guidelines centered on leading figures in Arab Rhetoric of al-Jurjani. This is because he has agreed scholars that his time is past glory and perfection Rhetoric. Thus, the starting point and the peak of knowledge can be described matriarchal Rhetoric time round and the actual situation can be highlighted Rhetoric travel knowledge.

3. Writing Arabic Rhetoric Before 'Abd al-Qahir al-Jurjani (Growth Era)

According to the scholars of al-Azhar University Rhetoric of 'Abd al-Sattar Husain (1991:24) hopefully accurate assuming views scholars leading language Sibawaih Basayr the real name of Abu' Amr ibn 'Uthman (d.180H) is the earliest writer on Arabic Rhetoric. It is seen as a precursor though he wrote in his famous methodology based on Arabic grammar so called "Qur'an al-Nahwi". In fact, between content writing is about "al-Taqdim wa al-Ta'khir" (Precede & Finalize), "al-Dhikr wa al-Hadhf" (Say & Remove) and so the actual topics also between content knowledge al-Ma'ani according to the scholars of Arabic Rhetoric date. Although topical Sibawaih not written like al-Ma'ani knowledge, it was also his writing contains a debate about al-Bayan knowledge as Tasybih, Isti'arah, kinayah and others. Similarly, the availability of the debate about the science of al-Badi'. After Sibawaih then appear Abu 'Ubaidah bin Mu'ammar al-Muthanna (d.206H).

As for according to Mahmud al-Sayyid al-Syaikhun (1983:5-6) states that the earliest writing Rhetoric can be detected is the knowledge al-Bayan by Abu 'Ubaidah bin Mu'ammar al-Muthanna (m.206H) through his book "Majaz al-Qur'an" (Quranic Miracle). The cause of writing this book is to answer the questions posed by Ibrahim bin Ismail, a writer while in the Ibn al-Rabi'a governor of Basra at the time of the Caliph al-Ma'mun ibn Harun al-Rashid (d.218H). The question is, and given to him is about Zaqum tree mentioned in the Qur'an:

اﻟﺸَﻴَﺎﻃِﲔْ رُؤُوْﺳُ ﻦُﻛَﺄْﻧﱠﻪُ ﻦﻃَﻠْﻌُﻬَﺎ

That is, "as if head pendant devil". (Surah al-Saffat, 37:65) The text uses the language style in comparison thinly Tasybih Zaqum tree with devil head but it is not known by anyone about his condition. This is a questionable thing to Abu 'Ubaydah. Thus, he brings a poetic stanza Umru 'al-Qais related to this issue:

ﻣَﻀَﺎﺟِﻌِﻲْ وَاﳌﺸْﺮَﰲَْ أَﻳـَﻘْﺘُﻠُﲏِْ أﻏْﻮَال

That is, "Is he going to kill me when sword and a sharp eye my lance canine goblin like pillows made? Arguments Abu 'Ubaydah said that parable ranks higher (subject or set the benchmark for the canine goblin comparison) in the poem is also not known anyone. But the purpose of this comparison is to make a picture comparison (subjects compared with other materials that sword and spear) with a bad impression and scare people. After debating this issue, Abu 'Ubaydah start writing with a lot of words in the Quran that brings the spirit and not the original meaning. Works that are meant for the title "Majaz al-Qur'an", as stated by Fadl Hasan 'Abbas (1998:71) that this book is actually a lot of debate focused on language and linguistics, but the debate surrounding the science of rhetoric "al-bayan"(comparison, metaphor & symbolic) is also found in the discussion. Majaz al-Qur'an is the way to achieve understanding of the meaning of the Quran. With that Abu 'Ubaydah took the initiative real (Haqiqah) explanation for the style of language (real) and not a chapter-by-chapter real. Therefore, he considers Abu 'Ubaydah was the trigger writing about science group "al-Bayan".

According to 'Abd al-Sattar Husain (1991:25-28) again, after that came the al-Jamahi (d.232 H) has compiled a book called "Tabaqat al-Syu'ara" (Group of Poets). Content is about learning Arabic literary criticism and there are also many debates about Rhetoric.

Then came al-Kinani son lover, nicknamed as al-Jahiz the black eye looks quite big and he was born in Basra in the year 150H and died in 255H. Writing his famous book is "al-Bayan wa al-Tabyin". According to Taha Husain, al-Jahiz considered the founder of knowledge al-Bayan al-'Arabi real.

Syauqi Daif (1965:22) also says no exaggeration to al-Jahiz considered the founder of Arabic Rhetoric through the production of his book "al-Bayan wa al-Tabyin", "al-Hayawan" and "Nazm al-Quran". His book is a lot of talk about the Rhetoric with a variety of design examples from the field of knowledge whether Meanings (al-Ma'ani), al-Bayan or Matching Word (al-Badi'). 'Abd al-Sattar Husain (1991) also acknowledged that Al-Jahiz also talk about al-Ijaz (short), ie the opposite to al-Itnab (decomposition) and al-Italah (lengthening). Similarly, he discusses aspects of al-Takrar
Mostly relied on its use in the Qur'an. While in terms of al-Badi', found him to talk about it in general terms as the al-Saj', al-Iqtabas and so by giving meaning and example.

Thus it can be concluded that between the writing and the efforts of al-Jahiz in the field of Arabic Rhetoric as matters of pronunciation and speech as an important tool in public speaking. This is the source of al-Bayan beauty that should put every fonic reference letters properly. Completion of pronunciation and fluent tongue, and avoiding defects are areas of concern voice. "Fluent Word" and "Fluent Conversatioan" has also been tried by him. He also emphasized "Muqtada al-Hal"(According to the Situation) because every place and situation with the availability of an appropriate expression. Similarly, the selection of words coincided with what was intended. This is related to al-Ma'ani knowledge. As for the debate on knowledge of al-Bayan, he discusses at length about Comparison, Metaphore and Symbolic. His titles include within this chapter Language Miracle (al-Majaz al-Lughawi) or Metaphor. (Al-Jahiz, 1968)

According to 'Abd al-Sattar Husain (1991:28) again, then came the Ibn Qutaiba (d.276H) compiled a book which is called "al-Syi'r wa al-Syu'ara" and "abstruse Quranic explanation". He explained the need to emphasize the importance of social status of the listener and the expansion of literary knowledge. With this, he highlights the art in chapter consise (ijaz) Rhetoric as requiring an examination of the language style.

Next, Ibn Yazid al-Mubarraad (d.285H) has compiled a book entitled "al-Kamil". He was locating pious including literature because according to another report, he memorized many literary texts such as poetry, and discuss the words and sentence structure as its ability. Although the essay is mainly concerned with aspects of language, grammar and literature, he also debated aspect Arabic Rhetoric as Comparison, Metaphors, Symbolic, Parable. In addition, he has also made criticism on the poetry of the famous temple in the words of the poet. Al-Farazdaq. (Ibid: 29)

A contemporary of al-Kufah Mubarrad the figure of the knowledge of grammar and language in the name of Abu al-'Abbas Ahmad ibn Zaid. He was known to Thalib (d.291H) have authored a book titled "al-Syi'r. Qawa'id" (Rule Poem). Content generally is about learning criticism, grammar and Rhetoric. (Ibid: 31) Then Ibn al-Mu'taz (d.296H) compiled a book called "al-Badi" Rhetoric calculated the earliest books. The book is organized to address issues at the time of al-Badi' and other forms of Rhetoric. The book is also a source of reference to scholars such as Qudamah Rhetoric after Ja'far bin Abu Hilal al-'Askari and al-Amid. The book 'al-Badi' has also become the most important source for Ibn al-Rasyiq for his book "al-'Umdah" (Headman).

While Abu Hilal al-'Askari (d.395H) has compiled two books of the title "al-Sina'tain" and "al-Kitab wa al-Syi'r". Debate in his book is filled with the explanation of the types of Rhetoric is divided into ten chapters and fifty-three chapters in all. Among them is like, a description of the etymology of Rhetoric, admirable and reprehensible speech differences, the order of speaking is wonderful, al-Ijaz (brief) and al-Itnab (parsing), the source of good drawings, comparison debate, al-Saj ' (beauty rhyme end) and word pairs, matching word and the description of the word syllables. (Ibid: 32)

Obviously, al-Sina'tain book is a book of literary criticism, and it includes criticism of matters relating to the Rhetoric. There is a view that he has brought the form of literary criticism in teaching Rhetoric. He also relied heavily on the book by predecessors like "Tabaqa al-Syu'ara" by Ibn Salam al-Jamhi, "al-Bayan wa al-Tabyin" by al-Jahiz, "al-Badi" by Ibn Mu'taz and others. Writing about continuing with the advent of Arabic Rhetoric Abu Bakr Muhammad al-Tayyib al-Baqillani (d.403H) through his book titled "I'jaz Quran" (miracle of Quran). He makes big role in terms of Rhetoric and the miracle of Quran free from any criticism of a censure against him.

In conclusion, this time to disclose the availability of new disciplines in the development of Islamic civilization in the Arab Rhetoric. But in this day and age a lot of discussion mixed with science debate as Sarfah (human weaken rival god Quran), unseen and storytelling of previous peoples. In other words, when the debate on knowledge Rhetoric is often associated with the question of the Islamic faith to be an issue at the time. As if the debate about Arab Rhetoric not be a specific debate. However, from the point of obvious importance to prove that the Quran is indeed is unmatched by any other Arab writers to prove I'jaz and supremacy of the Quran itself.

4. Writing Balaghah Ages al-Jurjani (Ages Perfection & Excellence)

According Syauqi Daif (1965:160) study of Arabic Rhetoric knowledge has reached perfection and glory during the fifth century Hijri. This is because knowledge Rhetoric has had its own terminology system and the complete writings. This golden era including I'jaz knowledge of the Quran because it parallel with the development of Arabic Rhetoric itself.

According to 'Abd al-Sattar Husain (1991:34), al-Qairawani (d.463H) wrote a book titled "al-Umdah Sina'ah fi al-Syi'r Naqdid wa ". He actually collect and quote the eyes of scholars' previous Rhetoric in matters of criticism and Rhetoric. Therefore, not surprising that era of his books became an important reference by other researchers Arabic Rhetoric until now. In addition, the book by al-Jurjani that appeared eight years later.
Next appeared al-Khafaji (d.466H) who wrote a book titled "Sirr al-Fasahah" (Secret Fluency). The content is defending arguments about Quranic Rhetoric become an important contributor to supremacy of the Quran. He was preceded in Motion restructuring Balaghiyyah (fundamental debate Rhetoric) Rhetoric science debate on the order of many contemporary writers talk about Fasahah and Rhetoric al-Kalam. Apparently, from the book "al-Fasahah sirr" writers from the beginning to try title and has stated that two main conditions to be maintained in order sentences. Firstly, avoid Tanafur al-letter (sounds awkward letters) of a word mentioned difficulties caused by the order of the letters. He requires the word to be of the order of letters away from makhraj position. He said the sound out each letter as a reference to the role of hearing and eyesight color to each image when attached brightly colored and clearly visible better than grafts colored image matching. Thus its pronunciation similar letter will definitely tough call. Secondly, he mentioned the word in a sentence should not be foreign and commonly used.

In conclusion, when looking at the book the author talks about the latest Fasahah al-Kalam (Speech Fluency), Rhetoric al-Qaul (words) and the parallel situation shows that it is the influence brought by al-Khafaji in writing legacy of "sirr al-Fasahah" (Secret Fluency).

After al-Khafaji, these scholars' Rhetoric distinction which opens new dimensions in knowledge. He was al-Jurjani (d.471H or 474H) leaving two valuable books on the "Asrar al-B alaghah" (Rhetoric mysteries), "Dala'il al-I'jaz" (miracles arguments).

Both serve as a reference in the study of Arabic Rhetoric until now. Between theory and things triggered through his book is as follows:

1. Differentiate between types of simulation with clear limitations.
2. Clarifying words (al-qaul) by naming theory al-Nazm (word order), and the scholars' recent naming of al-Ma'ani knowledge.
3. Research carefully in revealing the true source of beauty and the imbalance of words.
4. The strength of literary spirit with an exciting style language with accompanying texts that were analyzed with the tastes and feelings. (al-Jurjani, 1998)

In short, al-Jurjani open a new dimension in the study of Arabic Rhetoric with two important underlying theory, called al-Nazm. Firstly, using language appropriate to the situation or context. Both use the language fluently and clearly. in fact the meaning of knowledge in general Rhetoric high emphasis the suitability or accuracy of the conversation with the situation or context of things. In other words, the text to be used in speech or writing should be parallel with the existing situation that purpose or the message can be delivered more effectively against a listener or reader. The matter was settled by al-Jurjani (1988:41) describe the method in the arrangement and structure of sentences with the words:

That is, "It's not the purpose of the set so that consecutive sentences said the mere mention, but hopes that the inter-linking means that in line with the pronouncement of mind".

Rhetoric refers to the study of al-Jurjani also appears to discuss his argument begins with the concept of sentence structure grammar prior knowledge and its relation to meaning. Then he discusses the question of words and meanings associated with al-Ma'ani knowledge. 'Abd al-Sattar Husain Zamud (1991:38) also recognizes the important things in the field of Arabic Rhetoric at the time of al-Jurjani in the fifth century is still divided into three components Rhetoric knowledge, namely knowledge of al-Ma 'ani, al-Bayan and Al-Badi'. Even the debate is still under various names such as al-Balaghah, al-Fasahah, al-Bara'ah, al-Badi' and al-Bayan.

Fath Ahmad Amir (1975) has written issue of al-Nazm idea by al-Jurjani this in his book. He attributed this idea al-Nazm miracle form part of the Quran al-Karim. Tabanah Badawi (1958, p: 200) has been added to clarify the appropriateness of this situation is in fact to be an important prerequisite to the three parts of the knowledge Rhetoric al-Ma'ani knowledge, al-Bayan and Al-Badi'. If a sentence using the word and its meaning was interesting but did not refer to this requirement, sentence or phrase is still considered incomplete in the sense that the actual meaning of the Rhetoric of knowledge.

This debate is also discussed by Ibn Khaldun (w.y: 550) which is to obtain a perfect delivery meaning it cannot be based on aspects of grammar (grammar and morfologi) only, but the approach should also look into the appropriateness of stylistic aspects of the situation listener. This is because of the privilege of the Arabic language is every situation has a...
specific stylistic approach him. Through his views, it can be concluded that the study of the Arabic language would not be complete without involving knowledge as well as knowledge of grammar Rhetoric.

In conclusion, the comprehensive work by al-Jurjani has introduced the theory of al-Nazm diction is the choice of words and sentence patterns that fit the foundation in Arabic Rhetoric whether al-Ma'ani knowledge, al-Bayan or Al-Badi`. Her age is considered as the golden age of Arabic Rhetoric although not yet exist division three components separately. But what is important is his approach always associate each expression with grammar methodology, knowledge of al-Ma'ani, al-Bayan and Al-Badi`. Not like that has not happened earlier, that only after structured in a manner that brings with it.

5. Writing Arabic Rhetoric After al-Jurjani (Fatigue Era)

Continuity writing Rhetoric field after al-Jurjani era adopted by al-Zamakhsyari (1987), (d.538H) by writing commentary called "al-Kasyaf 'an Haqa'iq al-Tanzil wa' Uyun al- Aqawil Wu juh al-Ta'wil fee ". At the beginning of this commentary book he mentions important thing for everyone to explore, the interpretation of the Quran is the control of the two branches of knowledge that al-Ma'ani and al-Bayan. This is clearly seen through his words:

"ولا يغوص على شيء من تلك المضامين إلا رجل برغ في علمين متقاسمان بالرغم وغير علمين المعاين وعلمبا البابان "

Meaning, "One could not penetrate a fact (the Qur'an) but a man who truly proficient in two specific knowledge with knowledge of the Qur'an al-Ma'ani and al-Bayan". This item references separately calculated for the first time for both knowledge after al-Jurjani. Therefore, it is understood that the segregation specifically in Rhetoric debate has begun to appear on the statement by al-Zamakhshari. But what is important, this can be proved that the knowledge is closely interlinked with each other and cannot be separated in discussing Rhetoric Quranic verses, and is in line with what has been taken by al-Jurjani. In fact, treatment of the Quran verses interpretation in terms of its language was inseparable from the concept of knowledge al-Ma'ani and al-Bayan because this basis that will produce outcomes that are targeted in any related studies.

In short, the theory brought by al-Jurjani was practiced by al-Zamakhsyari through misinterpretation of known al-Kasyaf. Although al-Zamakhshari said Mu'tazili faiths, but agreed that its interpretation of scripture scholars of Ahlus Sunnah wa al-Jamaa'ah as authentic interpretation. The proof is recognized by al-Suyuti (w.y, Vol.1: 21), which made it clear tafsir al-Kasyaf is one of the key reference books in the completion of his book, "al-Itqan fi 'Ulum al-Quran". Al-Suyuti and al-Mahalli (1987) in the narration of "Tafsir al-Jalalain" also clearly state the name of al-Zamkhsyari at number three in its list of fourteen scholars of tafsir famous they refer. List queries are al-Tabari, Ibn Kathir, al-Zamakhshari, al-Qurtubi, al-Razi and others. Besides the aspect of fiqh and hadith Al-Suyuti (1987) also recognizes the scholars' emphasis on aspects of language interpretation, and Rhetoric I'rab as tafsir al-Kasyaf by al-Zamakhsyari.

After al-Zamakhshari, came the Fakhr al-Din al-Razi (d.606H) through his book entitled "al-Ijaz Nihayah Dirayah al-Ijaz fee ". This book is a summary of the studies purporting to al-Jurjani but also many other books that are based on common sense ("aqliyyah) and not writing al-Jurjani. Obviously, al-Razi wrote Rhetoric with style language scholars' knowledge of al-Kalam (monotheism). Thus, he opposed the restructuring of Rhetoric by scholars prior to the "Manhaj Adabi" (literary discipline) but he started a new way called the "Manhaj philosophical" (discipline of philosophy). Among the significant differences between the two disciplines is through Manhaj philosophical, it is concerned with the question of the proper definition, distribution and limitations and lack of examples of titles and literary evidences like poetry. While Manhaj Adabi is the lack of debate about definitions, rules and division of topics and extensive use of examples and evidences such as poetry and prose literature. Adabi Manhaj privileges are accessible language style and does not need to work hard to understand. (Abd al-Sattar Husain Zamud, 1991:40)

Then came the scholars called al-Sakkaki (Abu Ya'qub Yusuf ibn Abi Bakr) (d.626H) who wrote a famous book called "Miftah al-'Ulm". Rhetoric knowledge was placed at the third and he divides into three main sections. First debate about Arab pronouncement of aspects of the situation and naming consistency with knowledge of al-Ma'ani. Secondly, the debate about words in terms of guidance and called with knowledge normally al-Bayan. Third, the debate about words in terms of glamor and glitter, then refer to it as "Muhassinah" the category now known as science al-Badi`. (Al-Sakkaki, 1937)

Next, Badr al-Din Ibn Malik (d.686H) wrote a book called "al-Misbah" continues three-part naming Rhetoric from early writings further with al-Ma'ani knowledge, al-Bayan and Al-Badi`. Such slip bands naming the three parts, firstly by al-Zamakhshari and executed by al-Sakkaki and Badr al-Din Ibn Malik. After the al-Sakkaki, birth compile many of his
famous book Rhetoric and al-Khatib al-Qazwini (d.739H) to summarize the book "Miftah al-Ulum" in a material called "Talkhis al-Miftah". Then he wrote the book "al-waiting period fi 'Ulum al-Balaghah" as a sermon for the material. (Ibid, p: 42) This book is also a focus of debate after the masters to the modern age. Among scholars such as Muhammad 'Abduh (m.1905M), Ahmad al-Hashimi (m.1943M) book "Jawahir al-Balaghah", "Ali al-Jarim (d.1949M) with his famous among students nowadays Rhetoric of "al-Balaghah al-Wadihah", Ahmad Mustafa al-Maraghi (d.1952M) with his "'Ulum al-Balaghah" and Amin al-Khuli (d.1966M) with his "Manajih Tajdid wa fi al-Tafsir al-Balaghah".

While the term components such as al-Ma'an Rhetoric, al-Bayan and Al-Badi ' first adopted widely. Title in knowledge Rhetoric as al-Qasr, al-Fasi wa al-Wasl, Al-Tasybih (simile, al-Isti'arah (metaphore) and others also discussed in detail. Books are affected Dala'il al-I'jaz, Asrar al-Balaghah by al-Jurjani and al-Sina'atain by Abu Hilal al-'Askari. The third type is the work of academic Rhetoric. This work brings knowledge Rhetoric structured with rules. Through the work of this kind of knowledge Rhetoric apparent division into three main sections al-Ma'ani knowledge, al-Bayan and Al-Badi' . Among the works of this kind such as books Miftah al-'Ulum al-Sakkaki, summary of the book al-Talkhis and commentary to al-waiting period by al-Qazwini.

As according to Balkis Abu Bakar (1999), as a whole before the Rhetoric of knowledge organized as a form of discipline knowledge, Rhetoric works can be divided into three types. Firstly, the work of the literary form of writing Rhetoric disclose discussions of knowledge and it is stated in the books of tafsir or literature such as books al-Bayan wa al-Tabyin by al-Jahiz and Majaz al-Qur'an by Abu 'Ubaidah. Debate both seen the book focuses on Rhetoric indirectly, but it mentions about term, type and Rhetoric problems. The second type is a form of literary works that are in it elements of Rhetoric. Rhetoric of this kind bring in more scientific elements. Literary texts are discussed and analyzed based on the knowledge of Rhetoric.

In conclusion, the growth of travel and writing knowledge of Arabic Rhetoric become a valuable repository of knowledge. Everything is left to be basic and essential reference source in the study area of Rhetoric. Can be seen also persistence of the scholars' Arabic Rhetoric in the study of their work according to their own approach. However, what is important is perfection Arabic Rhetoric disciplines have been achieved through an idea with scholars who work with full trust for the sole purpose of proving the majesty and glory of the holy book of the Qur'an in particular aspects of the language style placement and appropriately according to the situation. Although the post al-Jurjani considered fatigue as the only forward only what has been founded by him, but the study of Rhetoric in general continues to grow from time to time until now.

This study is a continuation claim further research in the field of Rhetoric Quran especially the analysis based on the Quranic verses Rhetoric disciplines that already exists. Although such studies have been in existence in the world of Rhetoric study the Quran, especially in Malaysia or anywhere, but preferably should bring intensified by all Muslims or non-Muslims. Such efforts calculated to assist in the process of understanding the Quran in depth. Indirectly Rhetoric interests will be able to more clearly highlighted.

6. Knowledge of the Importance of Arabic Rhetoric

No doubt that every science has its own interests include knowledge Rhetoric. Therefore, before discussing about any style of language in the Quran in detail, must first look in terms of importance and purpose of learning Arabic Rhetoric itself. After looking at the development or growth of Arabic Rhetoric to develop as a discipline of knowledge, it was appropriate to be learned by every Muslim Rhetoric of knowledge is considered to be the key to knowing the secret supremacy of the Quran, especially in the use of a particular language style that proved unmatched by anyone. Drawn Iqbal Sheikh Saleh (1999:13) in his study related language style of the Qur'an has stated that Rhetoric is important to learn Arabic together with other components. This is because with a deep understanding of Rhetoric knowledge will help one understand the secret supremacy of the Quran and the meaning of its contents in detail.

Importance of Rhetoric more prominent when associated with stylistic excellence of the Quran in Arabic. According to Ahmad al-Sya'ib (1991:17) who discuss the importance of language style state stylistics very important because they provide significant benefits to the writers, critics, historians, authors, speakers and teachers. He added that with the knowledge that language style that make a good speech and a great person as well as attracting the attention of the listener and deeply affected.

With this explanation can be stated that the study of language style is appropriate aspects followed by every Muslim in order to achieve the understanding of a text with a thorough and comprehensive. Especially in order to understand the verses of the Qur'an which is the great miracle of the Prophet Muhammad to guide Muslim life. In essence, that the study of Rhetoric knowledge of the Quran is interested in general and the specific.
7. The Importance of Balaghah General Studies

Generally studies in Rhetoric definitely has its own causes and interests. Based on opinion Ahmad Matlub (1973:32) mentions that there are three major factors of interest or to pursue the Arab community.

Firstly, the importance of the religious aspect as a service to the study of the Qur'an which is required by the Prophet Fada'il his saying in the chapter of the Qur'an:

\[ \text{"保持着 من تعلم القرآن وعلمه"} \]

Meaning: "The best of you are those who learn the Qur'an and teach it too." (al-Asqalani, 1986, Vol.13: 393) When knowledge learned Rhetoric and stylist should be made of the study will help in the understanding of the Quran in depth especially through language style used. By itself the greatness and supremacy of the Quran could be clearly disclosed.

Secondly, the importance of the teaching aspect to avoid defects occur widely in Arabic because Arabs mixing and interaction with other people, work to be done and extended teaching. For this purpose, the Arabs began to pursue his studies for contributing to the problem.

Furthermore, other Arab nations is indeed in dire need of guidance in Rhetoric studied to assist in understanding the contents of the Quran in depth.

Thirdly, the importance of critical aspects of the development of literary criticism based on Arabic as spoken, clear role Rhetoric knowledge as a guideline to make criticism of the critic in a text. Rhetoric is also regarded as a benchmark in determining the deficiency and excess of a text.

8. The Importance of Specific Balaghah Studies

Based on three studies of general interest, the religious aspect should be more preferred than others. because it can meet the needs of all segments of society. It argues about the language style of the Quran which is a major contributor supremacy of the Quran from aspects. The Qur'an also as a source of primary law and guidelines of life for all Muslims. Hence, the importance of more specialized studies Rhetoric is focused on al-Quran and al-Hadith.

Firstly, to help in the fight deeper stylistic beauty of the Quran and learn the secrets of its miracle. According to Osman Khalid (1987:160), in fact, the content of the Quran miracle itself is on the beauty and dynamism of the language used and the arrangement of stylistic prowess. It will not be matched by any human works or to resembling it. Subhi al-Salih (1978:46) states that there are verses in the Qur'an which gives open challenge to the unbelievers who consider the Quran is part of the treatment of poetry and magic. This issue was discussed in the topic "Balaghah the beginning, Islam", where God has opened these challenges through his word in the Holy Quran.

According to al-Khafaji et.al (1988:118) when surveyed, it appears Rhetoric of the Quran bring new elements in addition to the existing ones. However, it is not meant Rhetoric of the Qur'an out of style and language commonly used methods such as al-Qasr (devoted to something else), al-Taqdim wa al-Ta'khir (advance and end), al-Tasybih (comparison simile) and others, including al-Itnab. However, the Qur'an has to elevate to the level of use of Rhetoric is greater than normal use and that is a l'jaz element of the Quran to be tried in more detail.

Al-Maraghi (1950:56) notes that self-knowledge Rhetoric help in expressing their beauty features of the Quran and explain the secrets contained in a form of language style used. This is particularly noticeable through language style debate, meaning the delivery method and the various forms of expression in the Quran than what is used in Arabic poetry and prose works of ordinary people.

In conclusion, it appears Rhetoric importance of the Quran as an impact that is useful to the Muslim community in particular. Looking at the efforts of the scholars' Arab Rhetoric like that has been tried already clear to us that it is necessary also to every Muslim as well as knowledge of grammar study and morphology although the basic level only. At least able to recognize and embrace a stylistic approach used in the Qur'an.

Secondly, understand the greatness of Hadith language style Prophet word of Allah s.w.t:

\[ \text{"ورى نبأ عن الهوى، إن هو إلا وحيد يُؤختي"} \]

That is, "And it does not say (something related to Islam) of his own and his own opinion. Indeed it is (either the Qur'an or Hadith) is nothing but revelation that is revealed to him." (verse al-Najm (53) :3-4. Based on the word of God is
evidently what is uttered by the Prophet is also the revelation from God, and it is a source of reference both for Muslims after the Qur'an. With Rhetoric studies also contained fasahah secret in Arabic poetry and prose can be followed by those studying Rhetoric. At least good and bad expressions can be distinguished and by itself will show an expression of the greatness of Rhetoric. (al-Hashimi, tt: 38)

Rhetoric Review hadith by Abdul Rahman Mohd Shukri (2010), entitled "Analysis Isti’arah In the Book of Riyad al-Salihin" show text study hadith done using various forms of use Isti’arah style accordingly. As a result, the meaning of the hadith can be communicated clearly, away from the elements of coercion and confusion, and Jawami’ elements of al-Kalim (Compatibility words). While the results of the field study of society to pursue their scriptures in mosques in Malaysia found Isti’arah theoretical contribution in this hadith significant effect in appreciation of the meaning of this hadith among the respondents.

In conclusion, knowledge is indeed very necessary Rhetoric as help in the understanding of the meaning and deepen sign language style of the Quran or al-Hadith. With this knowledge skills and the uniqueness of the language style of the Quran and al-Hadith will be highlighted and the implied meaning will be clarified. In turn, will help a person to understand a text of the Quran or al-Hadith in depth and full appreciation.

9. Conclusion

Writing time before al-Jurjani generally does not separate the three components Rhetoric. Debate Rhetoric knowledge when it is often associated with the question of the Islamic faith to be an issue at the time. As if the debate about Arab Rhetoric not be a specific debate. Ideology that denies al-Sarfah I’jaz element of the Quran with the belief that God (Allah s.w.t) turned his gaze from the first Arab writers create such works of the Qur'an even if they can do it. Al-Jurjani to approach the three components tighten Arabic Rhetoric without isolating specific chapter. He introduced the theory of al-Nazm diction is based on the selection of words and sentence patterns are appropriate. This is his time considered the golden age of Arabic Rhetoric although not yet exist division three components separately. But what is important is his approach always associate each expression with grammar methodology, knowledge of al-Ma’ani, al-Bayan and Al-Badi’. Not like that has not happened earlier or later arranged a perfect separation of the three components, but just continue the way it presents.

Arabic Rhetoric disciplines perfection achieved through a pool of scholars who work with full trust for the sole purpose of proving the majesty and glory of the holy book of the Qur'an in particular aspects of the language style placement and appropriately according to the situation. Although the post-al-Jurjani considered fatigue as the only forward only what has been founded by him, but what's important study of Rhetoric in general continues to grow from time to time.

Expected persistence idea scholars Rhetoric become the world motivation to study injection Rhetoric in Malaysia. This study strongly supports the study of the language style of the Qur'an as al-Insya ‘in Surah al-Nur (Siti Ikbal Sheikh Saleh: 1999), Isti’arah in Surah al-Baqarah (Ab Rahman Roslan: 2005) and repetition of the Verse Al-Rahman (Zahazan Mohamed: 2011). Such studies are very desirable pursued by researchers, especially in Malaysia to research transformation Rhetoric of the Qur'an can be increased from time to time and consequently every revelation of God can be understood more deeply and can be appreciated better.

In short, the Quran Rhetoric has its own role to the Muslim community in particular, especially in the deeper verses of the Quran. In addition to grammar and morphology subject, the subject of the Quran Rhetoric should be extended at various levels and in line with the level of education according to the suitability of Quran’s explanations and hadith. Every Muslim should learn at least be able to recognize and appreciate the variety of interesting stylistic approach used in the Quran or al-Hadith. As such, the study will be more exciting and fun.

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The Combination of the Psycho-Pedagogical Treatment with the Neuro Biochemical Intervention in Children with Autism Spectrum Disorders

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Abstract

Autism Spectrum Disorders have traditionally been treated as developmental disorders which affect cognitive, social and communicative ability. Scientific research is bringing arguments that autism is caused by disorders of the immune system, diet proteins and environmental toxins. One in 88 children in the USA is affected by autism. It is now a Research Priority because of the epidemic spreading has. It is impossible to refer to statistics about the spreading of the prevalence of Autism Spectrum Disorders in Albania, as they are not complete or they do not exist. The hypothesis of this study is- the combination of the psycho-pedagogical treatment with the Neuro Biochemical intervention influences the improvement of the cognitive, social and emotional competences of children with Autism Spectrum Disorders. Methodology: This is a qualitative research based on the analysis and data collected by focus groups: parents, teachers and psychologists of children with Autism Spectrum Disorders; parents that are applying the Neuro Biochemical intervention, in confrontation with the theory of autism treatment throughout the world. The aim of this paper is to bring in a real and theoretical argument of the softening of the symptoms of autism in children with Autism Spectrum Disorders, when the Psycho-Pedagogical treatment is combined with the Neuro Biochemical intervention.

Keywords: Autism Spectrum Disorders; Psycho-pedagogical Treatment; Neuro-Biochemical Intervention; Symptoms of Autism; Softening of the Symptoms

1. Introduction

Autism is a bio-neurological disorder of unknown origin which affects the child’s ability to process information from his or her own body or from his or her surroundings. It also interferes with a child’s ability to initiate functional or communicative behavior. First described in its “pure” form by Leo Kanner (1943, 1971)—emphasizing the impairment of the ability to make human contact or to communicate—the syndrome has been extended by the terms “pervasive developmental disorder” or “autism spectrum disorder” to cover children who show some but not all of the features initially described by Kanner. The term “spectrum” also implies that the disorder ranges from relatively mild to severe.

Autism Spectrum Disorders are complex and extremely difficult to be treated because: the cause is not completely detected yet, each individual manifests specific disorders and this is also introduced in the imbalance of biochemical tests’ parameters. Because of it growing dimensions, the disorder is putting before real challenges the family of the child with Autism Spectrum Disorders, the educational institutions, medical staff and the society. It is a mysterious disorder as we do not know the factors which cause it.

Autism Spectrum Disorders’ treatments are divided into two major groups:

- Psycho-pedagogical treatments, at the centre of which stands the treatment as “behavioral disorder or developmental disorder”
- Neuro-biochemical treatments, that consider ASDs as neuro-immune disorders forced by food allergies and toxic chemicals.

These directions tend to study the same symptoms, such as: behavioral disorder, motor skills, comprehension level, eye contact, social relations and communication, stereotype and aggressiveness, etc.. Psycho-pedagogical treatment is focused on obvious external indicators, behavioral disorders, while the neuro-biochemical treatment is focused on internal causes, based on the indicators ensured by several medical tests.

There are several types of treatment known as successful around the world, according to which, children with disorders have improved their ability of adaption and self-service. It is important to highlight the fact that these have been partial changes, depending on the level of the impairment.
Despite the well-organized work of several structures, such as, individual treatment, special education and the team work for the inclusion of children with Autism Spectrum Disorders in classrooms with normal children, the results have not been promising enough.

Project objectives. This study aims at exploring the types of the psycho-pedagogical treatment of children with ASDs. It also aims at bringing in theoretical arguments for the necessity of the neuro-biochemical intervention. This study aims at bringing in concrete arguments of the lightening of autism symptoms through the combination of psycho-pedagogical treatment and the neuro-biochemical intervention; in relation to the qualitative data by the focus group of parents.

Methodology. The study is a qualitative one, based on:
- Literature study focused on two courses: psycho-pedagogical treatment and neuro-biochemical intervention for children with ASDs.
- Study of the arguments on the treatments for changing or lightening autism symptoms according to respective treatments.
- Focus group of parents of children who are executing the psycho-pedagogical treatment combined with the neuro-biochemical intervention.
- Interviews with teachers of children with ASDs.

The research was focused on the information of the focus group of parents, as they were considered experts of the problematic of children with ASDs. It was chosen this methodology because of the clear validity and a clear objective and content approach and as a result, easy for everyone to understand. So, the results will be reliable. (Marshall dhe Rossman, 2006, Merton, 1987)

The group of focus consists of 13 parents of children with ASDs. Their children are between the age of seven to ten years old. Some group members have known each other for many years and have exchanged their experiences in the treatment of these children.

As a research tool is used the combination of the semi-interview with the focus group of parents, observation and the teacher’s interview.

2. Continuing Increase in prevalence of the Autism Spectrum Disorders

Publications of “Autism speaks.org” 2012, highlight that autism has been in the centre of media as never before. Latest updates on autism’s estimated prevalence, 1 in 88 children born in America, calculated the cost of autism to society is $137 billion per year nationally. This represents a 23% from the previous estimate, reported in 2009. It is a 78% increase from 2007. Consistent with the previous estimates, the updated numbers remains heavily skewed toward boys- 1 in 54, compared with 1 in 252 girls. The estimated prevalence for white children was 1 in 83, compared to 1 in 227 for other communities, in 14 different communities. (www.Autism speaks.org)

March 29, 2012- the latest analysis, from a 2008 survey, shows autism is up 23% since 2006 and 78% since 2002. With nearly a doubling of prevalence since CDC started tracking in 1992, autism is officially becoming an epidemic in the U.S.. More autism research and better services for people living with autism will be expensive. But the cost of autism already is astronomical. At the new 2008 prevalence rate of one in 88 American children, autism costs the U.S. $137 billion a year. It has been estimated that 45% of Americans with autism have an intellectual disability. The lifetime cost for each person who has an intellectual disability related to autism is $2.3 million. (https://stopcallingitautism.org/prevalenceandcost.html)

16 million children are diagnosed with concentration, behavioral and learning problems. The number of those diagnosed with ADHD, Asperger’s syndrome, Dyslexia, Tourette’s syndrome, Bipolar disorder and any other obsessive compulsive disorder. It is a new phenomenon and the most important issue of these days. Only ten years ago, autism was considered a rare disorder, diagnosed in 1 in 10.000 children born in the USA. (Disconnected Kids.Dr.Robert Melillo.2010.pg.6)

Autism has affected 1 in 110 in 2009, 1 in 88 in 2011 and 1 in 50 are now affected, in 2013!

The annual cost in the United States is 90 billion dollars (90% of the cost for adult care and services). In 10 years (2017), the annual cost of autism will be $200-400 billion. (https://stopcallingitautism.org/content/presentations/Juan-Rodriguez-SCIA-AutismOne-2013.pdf)

In Albania, we lack statistics, though, the problem is evident. The years of sacrifices made by parents on behalf of their children with autism- without professional training- make the big difference between children with autism in Albania and those in developed country; moreover, without a specific diagnose of the Autism Spectrum Disorders.

The psycho-pedagogical treatments of these days are facing each other; each representative has conceived and achieved a certain treatment from his point of view.

- The Applied Behavior Analysis (ABA), is defined as the science in which the principles of the behavior analyses have been systematically applied to improve socially important behaviors- where experiments are used to identify the responsible variables for the behavioral changes. (Cooper et al., Applied Behavior Analysis. p. 20. ISBN 0-675-20223-X) “ABA is based on the traditional theory of behaviorism, to change men’s behavior as part of the learning or treatment process.”. ("Positive Behavior Support and Applied Behavior Analysis". The Behavior Analyst 29. Retrieved January 12, 2013.

Even though ABA is considered as successful, in 2011, investigators from the Vanderbilt University, in cooperation with the Agency for Healthcare Research and Quality (AHRQ), performed an overall survey of the fundamental scientific literature during APA and other therapies for Autism Spectrum Disorders, including UCLA/Lovaas Method and the Early Start Denver Model. They concluded that “both approaches have improved referring to the comprehension performance, communicative skills and other adaptive behavior ability.” They also assumed that “the power of evidence was low, many children continue to display damaged areas, subgroups may compose the majority of the change; it is not the evidence for the practical efficiency beyond the research studies and the published studies, have used small samples, various approaches and treatment duration, and above all, different final measurement.” (Warren, Z.; Veenstra-VanderWeele, J.; Stone, W.; Bruzek, J.L.; Nahmias, A.S.; Foss-Feig, J.H.; Jerome, R.N.; Krishnaswami, S.; Sathe, N.A.; Glasser, A.M.; Surawicz, T.; McPheeters, M.L. (2011). Therapies for children with autism spectrum disorders. AHRQ Publication No. 11-EHC029-EF, Comparative Effectiveness Review No. 26. Rockville, MD: Agency for Healthcare Research and Quality).

- The Miller Method is based on the theory of systems and it stresses the need to be based on them and to enrich the capacity of the child. The single most unique and important aspect of the Miller Method is its work with systems. The Miller Method contrasts sharply with applied behavior analysis (ABA). Where ABA requires the child to remain seated to learn, the MM assumes that children with autism learn best through action; where ABA emphasizes “turning away” from tantruming or acting-out children, the MM emphasizes turning toward and engaging the child; where ABA tries to divert or “extinguish” aberrant behavior, the MM attempts to transform these behaviors into functional, interactive exchanges. While the ABA approach often achieves the child’s compliance with its methods, its emphasis on compliance seems at odds with the child’s need to cope in an inconstant world and—equally important—with the kinds of bioneurologically based challenges these children experience. (The Miller Method, Arnold Miller with Kristina Chrétien2007 pg.17)

- Brain Balancing program. Dr. Robert Melillo argues that, “based upon my studies, I have had the possibility to notice that disorders affect every system of the body, not only the brain. The majority of professionals are still treating it as a single problem, such as concentration, learning, socialization, or other symptoms. Although, the majority of these kids manifest a combination of several symptoms including different systems: sensory, motor, cognitive, emotional and immune system.” (Disconnected Kids. Dr. Robert Melillo. 2010. pg.15)

“Every disorder is a complex one, and often it includes every body system. All the circumstances which negatively affect behaviors and learning, are subject to the imbalance electrical problems. The result is that a child with brain imbalance, possesses normal or even extremely normal skills regarding the higher brain function, and extremely bad ability, regarding the lower brain.” (Disconnected Kids Dr. Robert Melillo 2010 .pg. 29)

“the Brain Balancing Program is based upon a technique named the Hemispheric Integration Therapy. There have been selected several daily exercises- sensory, physical and academic- which operate directly upon the problems.” (Disconnected Kids Dr. Robert Melillo 2010. pg 118)

- Individual therapy- applied in our country, treats the child as a person who has to learn some activities or behaviors- by repetition of the same activities, or by miming the therapist. It is supposed that the major problem of individual therapy, is that the improvement does not go further than therapies’ environment. Here in Albania the so-called “developmental therapy” is performed by one therapist; there does not exist a team of therapists, or even an individualized plan; she is not supervised by specialized institutions or state structures.
Within this paper are included those theories that are considered interesting according to the way they are conceptualized and performed. Although we are offered principles and theories, we lack statistics of treated children and we consequently lack the level of the treatment’s efficiency. But one thing seems to be evident, the results cover just one part of the case; on the other hand, the number of those waiting for a more efficient treatment is ever-growing.


The unsatisfactory results of the psycho-pedagogical treatment, lead to another possible treatment. The almost epidemic prevalence of autism spectrum disorders has placed it as a priority for the scientific research, focused on the acquired autoimmune systems, low detoxification capacity for definitely environmental causes, inflammatory bowel disease or other microbiological co-factors.

In the recent years, autism has been an issue of interest for talented scientists from other scientific fields. In 2012, many of these teams published important discoveries, confirmed and based upon previous pioneering discoveries. High priority is given to the field of science and autism this year. Research teams in every country of the world are involved within this improvement. Some improvements are focused in new areas of research. (www.Autism speaks.org)

- Autism Research Institute, established in 1967 by the research psychologist, Bernard Rimland, Ph.D., in the USA. ARI is a major proponent of the biomedical approach for autism treatment. The premise for integrative medical intervention is that certain neurological disorders, including autism, might be caused by environmental triggers that compromise the gastrointestinal, immunological, and neurological systems. (Biomedical Treatments for Autism from the Autism Research Institute 2008). The DAN (Defeat Autism Now) treatment shows the relation between autism symptoms and their causes. Normal organism can eliminate the heavy metals from the system- with the help of Glutathione enzymes which consists of Casein. In children with autism these elements are found in a low level. Consequently, children who are likely to have autism possess high toxic levels. Heavy metals prefer fatty setting, fat makes up 60% of our organism. This percentage explains the existence of the relation between heavy metals and brain. The presence of mercury causes difficulty in social relationship, lack of eye contact, stereotypical behaviors, speaking retardation, etc. Various heavy metals have been considered as the origin of autism, such as: mercury, leaden, aluminum, nickel and arsenic. Costa LG, Aschner M, Vitalone A, Syversen T, Soldin OP. Developmental neuropathology of environmental agents. Annu Rev Pharmacol Toxicol 2004; pg.87).

The detoxification suggested by DAN is achieved through the neuro-biochemical supplement, therapies of oxygen and food diet.

- Stop Calling it Autism. It considers autism as a disorder, characterized by neuro-developmental impairments, important for the behavior, communication and social function. Evidence shows that children with autism suffer from a continuous neuro-inflammatory process, in different areas of the brain, which include the Microglial Activation. The Microglial Activation is accompanied by loss of connection between neurons by reducing their function and leading to the well-known “autism”. SCIA is based on “the connection between mental diseases and the immune impairment”, by Mario Cappecchi, the winner of the Nobel Price 2010. Future studies must inspect treatments that can reduce the microglial activation and neuro-inflammation or that can finally lighten ASDs symptoms.” (Cambridge Journals, May 2011, “Evidence of microglial activation in autism and its possible role in brain under connectivity” Juan I. Rodriguez and Janet K. Kern). The impaired immune system prior to the SCIA, is considered as a concern to all researches of various scientists on this field. The way the treatment is performed, makes the difference.

- Additional arguments about the relation between disorders and eating. Historically, many doctors have not agreed that diets, food ingredients, sugar, etc. can influence behaviors. They admitted that it did not exist real scientific evidence for that. But in 2008 this viewpoint altered. It was agreed and published by the American Academy of Pediatrics in the “ADHD and Food Additives Revisited”, by Alison Schonwald. Thousands of parents decided to implement diets and they have observed considerable improvement. (Knivsberg, REICHELT, et al. A randomized, controlled study of dietary intervention in autistic syndromes Neuroscience 5 nr.4 (2002) 251-256)

Brain Development and function. Your child’s brain is highly dependant on the vitamins, minerals, amino acids, essential fatty acids, and calories found in food. For instance, if your child is not getting enough of certain key nutrients, it compromises his neurotransmitter production, the synthesis of his brain’s main myelin
sheath, glucose oxidation, and his visual and cognitive processing. If he’s consuming too much sugar and artificial additives, it can compromise his brain function and contribute to behavior and learning problems.

In the 1980’s, researchers found evidence of food proteins in the urine of autistic children that resemble opioids. Opioids are substances that can cause behavioral changes in people. (An example is the drug morphine, which is derived from opium). Opioids proteins are known to attach to receptors in the brains and guts to create behavioral changes as well as digestive complaints like constipation, diarrhea and bloating.

“Leaky gut” is common in autism and implies that the intestines are more permeable than normal. This can play a major role in food allergies and in soy, gluten and casein soy, and gluten and casein sensitivity. Soy, gluten and casein can enter the circulation through this “leaky gut” and travel to the brain. Gastrointestinal Symptoms in Autism are: Abdominal Pain, Chronic Diarrhea, Constipation, Gaseousness/Bloating, Nighttime Awakenings, and Unexplained Irritability. (http://www.cemkinaci.com)

Additionally, our brain balancing program includes nutritional guidelines – as diet problems are one of the causes of the evolution of neurological disorders during childhood. It manifests the environmental factors related to the problem. This program enables the surveillance of parents, teachers and staff’s activity to achieve stable results. Physical, mental and eating activities, will lead to gradual change in the academic work and the child’s brain changes and starts normal development.

The expected results are: Academic performance improvement, even the highest marks, reduction of negative behavior, elimination of irritating or extreme behavioral, communicational progress and social ability. (Disconnected Kids. Dr. Robert Melillo. 2010. Fq. 110 - 123)

- GcMAF - the beginning of the end for autism Over 900 children have now trialed GcMAF around the world, and clinics are reporting a response rate of over 80% in reducing the symptoms of autism. (PRWEB UK September, 8 2012). GcMAF is a key component of our immune system: all healthy people have it, people with chronic diseases do not. “Immune Biotech Ltd” extracts and purifies GcMAF in their Oxford laboratories.

- Data from our focus group of parents of children with Autism Spectrum Disorders illuminate the combination of the psycho-pedagogical treatment and the neuro-biochemical intervention.

Our focus group has answered the semi-structured questions through discussion and exchange of experiences.

How long has the child attended the developmental therapy? What changes were noticed? It was stated by the focus group that children had started the developmental therapy after the second or third year of their life. Disconnections from these therapies were frequent in cases when parents did not notice any changes. They then were in search of other therapists. Two boys had attended one therapist for many years, as the parent had noticed progress and that the children could learn, although very slowly; he only paid attention to what she said. One of the girls with the disorder had had the chance to become part of an ABA program, from respective specialists, in America, who had programmed to monitor her performance. Due to this therapy, she has made progress in her vocabulary and in her ability to link words in a sentence.

Have you ever tried a diet? What have you noticed? All parents had tried to implement diets according to information from different origin, or by medical prescriptions. It had not been possible for some parents to implement the diet, as a result of their way of living, or because of the inability to adopt the child with the new food regime. Other parents had achieved to implement just half of the diet, by eliminating just the white sugar or casein. The other group of parents had been implementing the whole diet for two years now; sugar free, casein free and gluten free. The diet had lead to several changes, for instance, partial decreased hyperactivity, sleep stabilization or a more quiet condition.

Why and how have you performed the neuro-biochemical intervention? Parents admitted that as they needed treatment and years were flying away, they had the necessity to have information from every part of the world. Due to technological improvements, they are informed in real time about every scientific research on autism. Parents have contacted doctors from abroad, such as, in Italy, England, Turkey, and Greece.

Some parents have the same doctor as mentor for- the neuro-biochemical treatment, or the supplement, culinary diet or hyperbaric therapy. (HOBOT) It varies from one to two years, in different children. While parents are still under this process, they range these changes: reduced hyperactivity, improved your concentration, higher level of comprehension, higher level of cooperation, higher level of stability reducing stereotype threat. In a few words, these are positive changes, but it is not clear yet to what extent will this condition improve?
It was stated by the teachers’ interview, that they had noticed improvement in the level of comprehension, and a reduction in stereotype threat and irritation in children under the effect of the neuro-biochemical intervention. Teachers noticed a big difference between children that had gone in a diet, that were under the neuro-biochemical treatment and those who did not undergo this treatment.

5. Conclusion

All the data gathered by the focus group of parents of children with Autism Spectrum Disorders, serves as an evidence for the fact that the combination of the psycho-pedagogical treatment and the neuro-biochemical intervention, influence the improvement of the cognitive, social and emotional skills of children with Autism Spectrum Disorders.

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Clash of Generations at Workplace: 
What does Business Ethics Mean to Different Generations in Turkey?

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Abstract
Changing times and fast moving conditions force organizations and managers to find new ways to adopt and manage every day challenges of the business world. One of those everyday challenges is managing a diverse work force composed of employees from different ages. Due to the increasingly diversified nature of the work force, intergenerational differences on workplace characteristics and attitudes are major possible sources of workplace problems. As the literature on generational differences at workplace is generally dominated by Western studies, by conducting this study, it is aimed to highlight the way generations perceive business ethics from Turkish organizational perspective. The research was designed with an exploratory nature and employed qualitative research methods. 18 semi-structured interviews with three generations: Baby Boomers, Generation X and Generation Y were conducted. The findings of the current study indicated that there are both some similarities and also differences in terms of business ethics perceptions of three generations.

Keywords: Generations, Generational Differences, Business Ethics

1. Introduction
Business ethics has attracted worldwide attention lately as a result of the huge ethical scandals of the last decade such as Enron and Worldcom (Ashforth, and Joshi, 2005). It is argued in the literature that ethics at work is not a sole unitary construct, rather it involves attitudes and beliefs leading to work behavior (Miller et al., 2002). As ethical orientation is also about work behavior, making ethically responsible and accountable decisions and ensuring that employees make such decisions, is a serious problem that managers face. Making those ethically responsible and accountable decisions is basically about business ethics which is defined as the process of responsible decision making in organizations (Hartman & Dejardins, 2008:3). At the individual and group level, ‘business ethics’ studies examine ethical misconducts and the personal responsibilities which can also be called “personal ethics”.

The current study aimed to identify business ethics from a generational perspective, the findings highlighted that different generations have their own definitions of business ethics.

2. Theoretical Background
2.1 Business Ethics

The discussion about ‘ethics’ has been the subject of societies, philosophers, and academicians for about 2500 years. The word “Ethics” is derived from the Greek word “Ethos” which means customs1 and pronounced very similar in most of the languages as; “Etik” in Turkish, “éthique” in French, “ética” in Spanish and “etica” in Italian. On the other hand, a more

recent concept about ethics, business ethics is defined as: “...business ethics comprises the principles, values and standards that guide behavior in the world of business...principles are specific and pervasive boundaries for behavior that are universal and absolute.” (Ferrell, Fredrich and Ferrell, 2011).

The corporate financial scandals; some of which are mentioned above, challenged the business world throughout the first few years of the 21st century. These scandals confronted organizations to create and maintain ethical climate and to hire, socialize, and train employees on the basis of ethical behavior (Anand, Ashforth, and Joshi, 2005; Trevino, Weaver and Reynolds, 2006; Valesquez, 2012). The major challenge in creating an ethical climate is the differences in perceptions of “business ethics” among different groups of employees. These differences may be based on various aspects such as; educational background, age, individual values, moral development, religious orientation, occupational factors, laws, regulations and ethical codes of the organizational settings (Halici, 2000; Jennings, 2009; Ferrell et al, 2011; Valesquez, 2012).

Among these aspects, the different age groups that the employees are members of may cause them to perceive certain work related issues differently than each other. There are studies examining age differences on personality, expectations from work and life, perceptions about the world, love, family and friends in both popular press and academe (Deal, 2007; Elmore, 2010; Gesell, 2010; Joshi et al, 2010; Lancaster and Stillman, 2004; Li and Nimon, 2008; Marston, 2007; Sirias, Karp and Brotherton, 2007; Nancy, 2009; Reisenwitz and Iyer, 2009; Salahuddin, 2010; Simons, 2010; Twenge, 2010; Hansen & Leuty, 2012). Besides the accelerating interest in media, there are actually few empirical studies in academe which focused on the issue and they mostly have conflicting results about the generational differences on work related issues (Hansey & Leuty, 2012).

2.2 Generations

The year 2013 designates the synthesis of three major generations in the workforce: Baby-Boomers, Generation X and Generation Y, with different backgrounds and childhood stories (Simons, 2010). Therefore today, organizations are not only trying to integrate the different generations in their workforce but are also triggered to create ethical climates that suit the various needs of different generations (Hansen & Leuty, 2012).

Diverse publications and nations classify generations differently (Chowdury & Coulter, 2006; Lescohier, 2006; Durkin, 2008; Reed, 2007). The most cited categorization of these three generations according to the year of birth is: Baby Boomers (born between 1946-1964), Generation X (born between 1965-1979 and Generation Y (born between 1980-1995) (Marston, 2007).

The common ground and the most triggered remark of the literature about generations at work is the inconsistency of perceptions among the very basic work characteristics such as work values, work attitudes and work expectations (Stauffer, 1997; Loomis, 2000; Raths, 1999; Keaveney, 1997; Yu & Miller, 2005). For instance, Twenge (2010) grouped the mostly tested variables under five headings as; business ethics, centrality and altruistic value; extrinsic and intrinsic values; social values; job satisfaction and intention to leave in his profound review about generational differences in work attitudes. According to Marston (2007) Baby Boomers differentiate themselves from their younger colleagues by using their understanding of business ethics as a weapon for superiority. Also, in another study, Meriac et al (2010) indicated that there are differences in the perception of business ethics among the three generations at work. These generational differences lead to a certain point: In order to avoid organizational chaos, it is crucial to manage generational diversities effectively and transform these differences into functional clashes which will benefit the organization and its stakeholders as well.

“...according to the generation theory people are changed by, but also change the world around them. Each new generation is socialized by elders into the existing culture, but also simultaneously adds new characteristics resulting from its unique reactions to historical events of the time.” (Rasch and Kowske, 2012.2).

Thus, the possible differences in business ethics perceptions among generations may have important effects in the creation of ethical climate. Given this in hand, the aim of this research is to identify the perception of business ethics of these three generations at workplace and to propose possible implications for human resources professionals.

2.3 Clash of Generations in Turkey

“When the cold war ended, we thought we were going to have a clash of civilizations. It turns out we’re having a clash of generations.” (Carnegie Endowment scholar David Rothkopf)
Since Turkey is a developing country, before 1980s people were not able to follow up the major global developments such as technological innovations. Thus, while Baby Boomers of Turkey were experiencing the hard times of Turkish revolution and transition to multi-party democracy; the world was living the golden age of radio and human rights (Topçuoğlu, 2007). The Baby Boomers who are also called the “sandwich generation” (a generation caught between two generations) have raised their children and looked after their aging parents in the same house. Like their parents, they had great respect towards authority; they were loyal and abstemious and devoted to their companies. This young generation of 1960s was also affected by the global socialist movement and a group of idealists have upraised against the injustice in Turkey.

The following generation, “Generation X” that has entered the workforce during the second half of 1980s was affected from the difficulties of transition to liberal economy, economic crisis and ethnic terrorism in Turkey. On the contrary, their peers in Western societies were experiencing the advantages of flexible working hours and technological advances such as the internet. Generation X, usually adopt their feelings to the situations, thus their commitment and loyalty are flexible; they use technology because they have to, they always seek for better career opportunities, they can easily be motivated and abstemious, they are less sensitive to the social and political issues of their time however they still have a great respect to the authority. Finally, Generation Y in Turkey resembles their peers in the Western countries, as both were born to the age of technology. The gap between generations in Turkey and Western countries diminishes for Generation Y with the progress of transportation and information flow between nations due to technological advancements. Generation Y are individualistic and entrepreneurial; they cannot live without technology and they hate hard work but love success and entertainment. They are against the authority; they want more but they are not ready to pay for this2 (Topçuoğlu, 2007).

Today, the Turkish workforce is composed of three different generations (Baby Boomers, Generation X, Generation Y) that make the managerial practices harder. While one group of employees aims to rise to the peak, some work for status and position and others are motivated by money3. This diversification got more complicated for managers with the entrance of Generation Y. Since all these generations have different expectations about recruitment, promotion, wage and way of completing tasks, the organizations are forced to consider these diversifications while establishing their organizational policies (Marston, 2007).

The three generations in Turkey have a lot in common with their peers in USA or other European countries. However, being born in the same time frame does not prove that they are identical. Besides the similarities, there also might be differences about the perception of work related issues because of the “country” specific social, political and economical events experienced during life time.

The literature involves a number of studies on generational cohorts and perception of business ethics most of which is held in Western Cultures (Meriac et al.2010; Twenge, 2010; Marstan, 2007). Due to the impact of cultural differences on workplace issues, it is not proper to use only Western based studies in Turkey. Thus, while the study aims to identify the differences between generations in terms of business ethics, it also contributes to the literature by providing an understanding on generations and their perceptions on business ethics in Turkey, which would be more relevant for Turkish managers to utilize.

3. Method

In order to achieve a detailed understanding of the subject, qualitative research methods are adopted for this study (Mariampolski, 2001). By using qualitative methods, a researcher enables respondents to express their thoughts and feelings without any restriction (Levy 1982; Mariampolski, 2001). It also helps to explain the complex processes of creating meaning, deeper feelings and contradictions of mind (Levy, 2005).

3.1 Sample and Data Collection

The sample is composed of employees from different age groups working in Izmir4, which is the third biggest city in

4 www.izmir.bel.tr
Turkey. The employees were randomly selected from various organizations. However, there is no doubt that apart from the generational differences there may be other factors that may influence the answers of the respondents such as age, position and tenure (Sirias, Karp & Brotherton, 2007; Twenge, 2010; Hansen & Leuty, 2012). To prevent possible bias, the respondents of each generation are selected from the similar ages and comparable occupational backgrounds with parallel tenures. 18 semi-structured interviews (6 interviews for each generational cohort as Baby Boomers, Generation X and Generation Y) were made. The interviews were characterized by a conversational format in which the interview dialogue was set largely by the respondents. Minimum four open-ended questions were asked to all respondents following the same cycle and additional questions were formulated according to respondents’ reflections in order to get all the details of their specific experiences. The interviews approximately took an hour and were recorded with the permission of the respondents. Researcher ensured respondents that no personal information would be declared. All of the interviews were conducted in respondents’ offices in order to guarantee that they feel comfortable and relaxed.

The interviews began by attaining general background information (age, working experiences, their current organizations and positions) which was summarized in Table-1. In order to ensure that the respondent feels free of talking about the subject, questions were formed in an open-ended way which deepens the conversation. The researcher used probes to let the respondent keep talking and sharing ideas and experiences about the questions. In an independently flowing dialogue format, all the pre-formed questions were asked. The researcher ended interviews by presenting gratitude of the research team and promising to share the final study with the respondents.

Table 1. Generational and Occupational Distribution of the Sample

<table>
<thead>
<tr>
<th>Generational Cohort</th>
<th>Age</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Boomers (1946-1964)</td>
<td>52</td>
<td>Head of Board of Directors in Their Own Family Business</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>Engineer, Founder and Manager of his own Company</td>
</tr>
<tr>
<td></td>
<td>57</td>
<td>General Manager / Automobile Parts Producing Company</td>
</tr>
<tr>
<td></td>
<td>58</td>
<td>Doctor</td>
</tr>
<tr>
<td></td>
<td>61</td>
<td>Engineer, Founder and Manager of his own Company</td>
</tr>
<tr>
<td></td>
<td>62</td>
<td>Retired</td>
</tr>
<tr>
<td>Generation X (1965-1979)</td>
<td>41</td>
<td>Product Manager in a private food company</td>
</tr>
<tr>
<td></td>
<td>41</td>
<td>Responsible from the “production process” in a private food company</td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>Finance Manager in family firm</td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>Auditing Director/ Auditing and Consultancy Company</td>
</tr>
<tr>
<td></td>
<td>33</td>
<td>Head Hunter / Human Resources and Consultancy Company</td>
</tr>
<tr>
<td></td>
<td>35</td>
<td>Sales Manager / Communications Company</td>
</tr>
<tr>
<td>Generation Y (1980-1995)</td>
<td>30</td>
<td>E- Marketing Manager of a Retail Chain</td>
</tr>
<tr>
<td></td>
<td>25</td>
<td>Manager of Seasonal Sales Shops in a Retail Chain</td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>Private Accountant</td>
</tr>
<tr>
<td></td>
<td>31</td>
<td>Engineer- Manager in their own family business</td>
</tr>
<tr>
<td></td>
<td>28</td>
<td>Architect / Project Team Member in an Architecture Company</td>
</tr>
<tr>
<td></td>
<td>29</td>
<td>Lawyer / Managing Partner in a Law Firm</td>
</tr>
</tbody>
</table>

Each interview was audio taped and transcribed verbatim. Interview records were then transcribed for analysis and analyzed by the researchers; the findings were double checked, categorized and presented as given below.

3.2 Findings

Although it is stated in the literature that high potential generational differences with respect to business ethics are expected, there are only a few empirical studies examining these potential differences. Meriac, Woehr and Banister (2010) measured business ethics among generational cohorts and they found out that across the three cohorts; Generation X showed the lowest level in perception of business ethics whereas Baby Boomers have the highest levels. The analysis of the transcripts of this current study presented somewhat diverse findings. Unlike the literature, Baby Boomers and Generation X of our sample gave similar definitions for business ethics. They both defined the term as the right way of doing things by considering consciousness and transparency:

“For me, business ethics is feeling responsible for all parties, it is trying to do the right thing at all times!...I guess people act more ethical as they mature...I observe it so!” Baby Boomer, 6
“…with education and training, people became more ethically conscious I think! …I always do the best for my company, my boss and my client… I don’t hide any information and this is business ethics!” Generation X, 3

“Business ethics… I think we live in a time… today it is all free to get what you want.” Generation Y, 2

Although, the studies about Generation Y present that they have respect for authority, they accept hierarchy and reflect modesty developing from a grounded moral code of conduct and they are able to organize their own business ethics (Duchscher, Cowin; 2004), the results of our study showed contradicting findings. The respondents of Generation Y in our sample reported their older managers having very strict ethical principles. Also, they stated that some of the ethical rules can be ignored in order to achieve personal success in today’s competitive business world. The other two generations also perceive Generation Y to have loose ethical understandings:

“…I think business ethics is a subjective concept…. people do anything for their best, I also do it… for my career I can do anything. For example my current boss, gives too much attention to ethical principles which sometimes results with financial loses” Generation Y, 6

“…my colleagues especially the younger ones, I guess they don’t have ethical orientation as we do…” Baby Boomer, 2

“…my boss and people who were born before 1975s, they are ethical…” Generation Y, 1

Throughout the literature; it is seen that most of the studies express a decline in the perception of business ethics. New generations are less fond of working overtime and they do not feel proud of their occupations. Older generations mostly have complaints about business ethics perceptions of younger generations (Smola & Sutton; 2002, Twenge; 2010). The same thing applies for our sample, as seen in the quotations above, Baby Boomers believe that the new generation especially the ones which are defined as Generation Y, do not obey ethical rules. Also, Generation Y perceives Baby Boomers and Generation X as more ethically oriented than they are. For example, Generation Y employees do have ethical orientation, they take the responsibility of working for long hours in the workplace, but this is not a reflection of a strong ethical perception, it is merely due to the coercion of employers (Twenge, 2010). In fact, these results are not surprising since Generation Y believes that career and education are more important than work related norms and values such as loyalty, commitment and ethical orientation (Topçuoğlu, 2007, Twenge, 2010).

4. Discussion

The modern workplace is characterized as a place where people from different ages, genders, religions and races come together. This diversified composition of individuals mostly emerges as a source of problem and unrest. Thus, organizations and managers try harder to grant harmony in the workplace. As young people enter the workforce, the diversity of generations enriches. Along with this progress, different generational cohorts have to work together. Even though having a variety of generational cohorts provides opportunities and advantages for the organizations, the differences in their perceptions and characteristics may cause disadvantages at the same time. Especially, this situation puts responsibility on the shoulders of managers in terms of managing different age groups in order them to be in accordance and creating the right composition of work force.

There have been a number of studies that focused on the workplace attitudes and generations. (Deal, 2007; Elmore, 2010; Gesell, 2010; Joshi et al, 2010; Lancaster & Stillman, 2004; Li & Nimon, 2008; Marston, 2007; Nancy, 2009; Reisenwitz & Iyer 2009; Salahuddin, 2010; Simons, 2009). The related literature presents these studies but since most of these studies are Western based, the results can be relevant solely for Western Cultures. This study was initiated with the motive to provide information and insight about generational differences on business ethics in Turkey. The results suggest that, there are some differences and similarities about the perceptions of business ethics among three different generational cohorts. Whereas Baby Boomers and Generation X define business ethics by relating the concept to transparency, a feeling of responsibility and care for others; Generation Y does not sound even willing to define what it is. Thus, one of the most noticeable findings was about the decline of ethical orientation among young generations. Although they are called as the most “high maintenance and productive” (Tulgan, 2009) work force, Generation Y is found to be the least ethically oriented employees of today.

Given these findings, managers should design programs to enhance their ethical orientation by conducting ethical training programs, strictly implementing ethical codes and supporting ethical behavior. In order to grant a peaceful climate in the workplace, special programmes which would create the opportunity for different generations to come together and
share ideas, experiences and beliefs would be useful as the lack of communication and mutual understanding among generations is the source of gap between them (Lancaster & Stillman; 2002). Managers should also focus on designing human resources (HR) policies by taking into consideration the differences and similarities. In order to empower employees and increase organizational commitment, different HR programmes should be developed in order to meet different needs of generations.

New times create new points of view and new people. Managing diversity and succeeding in making the best out of such a workforce is challenging. Motivating organizational members in a world of lesser boundaries and more virtual possibilities requires managers to learn more, try harder and try continuously. This study provides some of the necessary insight for managers especially the human resource managers to deal with organizational members and their organizational duties, career issues and workplace problems. By utilizing the current findings, managers can both attract new successors from Generation X and Generation Y and at the same time continue benefiting from competence of Baby Boomers.

To note the limitations of the study; research has taken place in only a certain part (Aegean Region) of Turkey with a restricted number of respondents. In the future, the study can be extended to other regions of the country with larger samples and by adding new variables that are important for managerial issues, as there are variations among regions which may present differences in generational diversifications.

References


Asymmetry of Interest Rate Pass-Through in Albania

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Abstract

This study tries to investigate the asymmetry of interest rate pass-through in Albania over the period 2002m01: 2013m03. An OLS (Ordinary Least Square) approach is employed to take into account solely the long-run dynamics of such asymmetry. More specifically, the study attempts to investigate whether responses of wholesale (represented by the interbank and T-bills’ yields) and retail interest rates (deposit and credit) to downward and upward changes in the policy rate are symmetric or not. To the best of our knowledge, this is the first attempt focusing on the asymmetry of the interest rate pass-through, extending the author’s previous study (unpublished, to be presented at EBEEC Conference in Istanbul, 9-12 May), which focused mainly on the speed and magnitude of the interest rate pass-through, over a shorter time period. Main findings of this study show that the pass-through of key policy rate to wholesale and retail interest rates is asymmetric. More specifically, the 7-day interbank rate, the 6- and 12-month T-bills’ yields and the deposit rate react more strongly to a negative change rather than to a positive change in policy rate. We believe that the empirical results of this study might be useful for the increase in the efficiency of monetary policy implementation, providing useful information of the Albanian monetary policy transmission mechanism.

Keywords: asymmetry of interest rate pass through, OLS, monetary policy transmission mechanism

1. Introduction

It is widely proven, theoretically and empirically, that monetary policy affects real economy through various channels, among which the most common are: interest rate channel, exchange rate channel and credit channel. In case of Albania, there have been many studies attempting to investigate the monetary policy transmission mechanism, such as: Kolasi et al.(2010), Vika(2007), Istrefi and Semi (2007), Tanku(2007), Tanku(2008), Shijaku (2010), Kodra (2010), Mançellari (2009), etc. These studies try to estimate the impact of a change in monetary policy on M3, inflation, gross domestic product, exchange rate, credit to private sector, optimal level of reserve holdings, fiscal indicators, monetary and financial conditions, etc. However, it is argued that response of market and retail interest rates to monetary policy rate plays an important role in most of monetary policy transmission channels (especially in the credit and interest rate channel). The speed and magnitude that monetary policy will convey through transmission channels depend on the characteristics of the monetary policy rate pass-through to other interest rates of interbank, primary and retail market. Such pass-through has been the focus of a preceding study2, which has estimated the transmission of monetary policy rate to wholesale interest rates (interbank and T-bills’ yields) and to retail interest rates (deposit and lending interest rates), by using a VECM methodology, over the period 2006m01:2013m03. However, this paper adds to the previous study by focusing on the asymmetry of policy rate pass-through over a longer period, from the first month of 2002 to the third month of 2013 (135 observations). Asymmetry of interest rate pass-through helps in better understating the transmission process and also in better forecasting the response of wholesale and retail interest rates. Also, asymmetry of overarching pass-through (from monetary policy rate to lending and deposit rates) might give some explanations into the pricing behavior of banks.

Literature on asymmetry of interest rate pass-through points out several indicators which might contribute to such asymmetry (Roelands, 2012; and Jamilov and Êgert, 2013), such as: bank regulation and specifics (capital and liquidity requirements, the assessment of credit risk by banks, the level of liquidity in the banking sector, maturity mismatch of

1 Views expressed here are those of the authors, and do not necessarily represent views of the European University of Tirana.

2 The preceding study, titled: “The interest rate pass-through in Albania from monetary policy rate to wholesale interest rates and to retail market rates”, was presented in the 5th International Conference, “The Economies of Balkan and Eastern Europe Countries in the Changed World”, held in Istanbul, Turkey on 9-12th May, 2013. The study is in the publishing process, and is available by the author upon request.
loan and deposit portfolio, level of competition in the banking sector, type of bank customers, level of economic growth, credibility of monetary policy, etc.).

Literature on the asymmetry of interest rate pass-through can be divided into two main groups: the one focusing on advanced economies, and the rest on developing economies. The former group finds that interest rate pass-through is sluggish and asymmetric. So, Roelands (2012) using interest rates data for United States bank holding companies, over 2001Q1-2012Q1, finds evidence in favor of asymmetry in interest rate pass-through, which is attributed to bank regulations in terms of capital and liquidity requirements. More specifically, Roelands (2012) finds that banks with capital constraints charge higher loan rates than unconstrained ones. Also, the pass-through of federal funds rate to these banks’ loan rates is lower, in both cases, accommodative and tightening monetary policy.

On the other hand, literature on developing economies finds that interest rate pass-through is incomplete, but does not find conclusive evidence on the asymmetric elements. Jamilov and Égert (2013) investigates the nature of interest rate pass-through in five Caucasian economies (Armenia, Azerbaijan, Georgia, Kazakhstan, and Russia) by using an ARDL methodology on monthly interest rates time series. Jamilov and Égert (2013) attempts to provide answer to a question quite relevant to the topic of this paper: Is there any asymmetric adjustment for the pass-through of policy rate to short- and long-term market rates, and for the overarching pass-through of policy rate to bank deposit and lending rates, in any of the countries under study? It is also important to note that the ARDL methodology in Jamilov and Égert (2013) allows studying for several types of asymmetries: speed of adjustment; long-term relationship, and short-run dynamics. A main finding of Jamilov and Égert (2013) is there is no difference in market rates response regardless the stance of monetary policy (contractionary or expansionary) for the case of Armenia, Azerbaijan, and Russia. In the other two countries, Georgia and Kazakhstan, there are some asymmetric effects, though not statistically significant. Finally, the study finds that asymmetry is stronger at long-term maturities.

Another study investigating the potential asymmetries in the interest rate pass-through is that of Sznajderska (2012). Using threshold autoregressive and momentum-threshold autoregressive model, Sznajderska (2012) examines the asymmetries in the pass-through from money market rates to retail interest rates during the period 2004-2011. Also, using threshold autoregressive models and momentum-threshold autoregressive models, Sznajderska (2012) examines whether deposits and lending rates in Polish commercial banks are asymmetrically adjusted to changes in interbank rates, by checking both, in long- and short-term. One of the findings of the study is that Polish banks adjust the interest rates for credits given to firms and house purchases quicker when error correction term is above the threshold value, due to strong competition for these types of credits and due to adverse selection problem. Another finding is that banks in Poland are faster in adjusting their rates for credits to sore proprietors and for consumer credits, when the error corrections term is below their threshold values. Sznajderska (2012) finds inconclusive evidence regarding the response of interest rates under study to negative and positive changes in money market interest rates.

Kovanen (2011) analyses the interest rate pass-through in Ghana, with a special focus on asymmetry. The author finds empirical evidence in support of asymmetry in the pass-through from policy rate to wholesale rates, which are argued to be due to not very strong policy credibility and to liquidity management. Kovanen (2011) adopts the VAR methodology and introduces some additional variables (spread between each of the wholesale interest rate with the base rate) and judges about the asymmetric properties of such pass-through based on the sign of these “spreads” indicators.

To the best of our knowledge, there is no study in case of Albania investigating the asymmetry of pass-through from policy rate to primary and interbank rates and of the overarching pass-through from policy rate to retail interest rates (lending and deposit). Compared to the preceding study, this one will focus only on the long-term asymmetry of pass-through, and will leave it to future research the study of asymmetry, regarding the short-term and speed of adjustment. The rest of this study briefly explains the data and the methodology employed by the study, and also offers some results having in mind data and methodology limitations. The final section present concludes and provides some suggestions for further areas of research or improvement.

2. Data, Methodology and Empirical Results

As mentioned above, this paper aims to study the asymmetric effects of the interest rate pass-through in Albania, over the period 2001m01 – 2013m03. More specifically, it studies whether interest rates of interbank and primary market, and also of retail market react symmetrically to negative or positive changes. Wholesale interest rates are presented by the overnight (\( o\_n \)) and 7-day (\( i\_7d \)) interest rate; while the primary market is presented by its three short-term maturities: 3-month (\( b\_3m \)), 6-month (\( b\_6m \)) and 12-month T-bills’ yields (\( b\_12m \)). We choose not to include yields of obligations in the empirical estimation due to their recent launch in the market, which make their time series short. So, auctions of 2-, 3-, and 5-year government bond date back in 2002Q4, 2005Q2, and 2006Q4, respectively. Also, frequency of these
auctions is not very often (every month for the 2-year government bonds, every three months for the 3- and 5-year ones, and quite rarely for the 7-year government bonds though recently its frequency is increasing). The retail market interest rates are represented by the lending ($i_{\text{credit}}$) and deposit rates ($i_{\text{deposit}}$) denominated in ALL and applied to newly extended loans and newly collected loans. We choose not to use the rates applied to the stock of loans or deposits as they tend to react more slowly to any changes in policy rate or other rates.

In this study we focus only on the long-term asymmetry of the interest rate pass-through and for this purpose we employ the OLS (Ordinary Least Square) estimation. According to Engle and Granger (1987), any linear combination of two or more non-stationary variables might result to be a stationary series $I(0)$, and if such linear combination does exist, then we might conclude that such regression (linear combination) represents the cointegrating equation and can be interpreted as the long-term relationship between these variables.

Prior to conducting OLS estimation following Engle and Granger (1987), we perform unit root test on each of the interest rate time series using three tests for robustness check: Augmented Dickey Fuller (ADF), Phillips Perron (PP), and Kwiatkowski-Phillips-Schmidt-Shin (KPSS). Literature on unit root tests (Pelgrin, 2012) suggests that the first two tests are almost similar to each, but they might have some slight differences in finite samples. They are both sensitive to structural breaks, and therefore we have performed a third unit root test, KPSS, which is mostly used in literature in order to get confirmatory results on the unit root process of the time series of our interest. However, our judgment is mostly based on the first two tests (ADF and PP). It is usually believed that interest rates are nonstationary variables, which seems to be proven in the case of Albania. All time series, but credit interest rate, are stationary at first difference at 1% level of confidence, according to the ADF and PP unit root tests. Therefore, they all enter the OLS estimation as $I(1)$ variables. Credit interest rate is the only variable, which according to two tests (ADF and PP) is stationary at level. For this reason, the results regarding the response of credit interest rate to positive or negative changes in monetary policy rate should be taken with a grain of salt.

This study follows quite a simple technique (the same approach adopted by Tanku, 2007) in order to account for asymmetric effects in the interest rates pass-through, which consists in introducing dummies. So, we construct a dummy coded 1 if there is a negative change in policy rate and zero otherwise to account for expansionary monetary policy. We construct another dummy coded 1 if there is positive change and zero otherwise, to account for contractionary monetary policy stance. Both these dummies enter OLS estimation of each pair of interest rates and the overall reaction to policy rate is obtained by summing up each slope dummy with the coefficient before the policy rate. So, the response of any interest rate to a contractionary monetary policy will be the coefficient before the base rate summing the coefficient before the dummy taking values of 1 for positive changes in policy rate and zero otherwise. This holds also for response of interest rates to expansionary monetary policy.

The results obtained from the OLS estimation are presented in Table 1. In the last column of the table, the unit root tests of the residuals obtained from each of the equations are shown. Based on the p-values, residuals of almost all equations are stationary at 5% level of confidence, which means that all pairs of interest rates (policy rate with each of the other interest rates) are cointegrated in the long-term. The only exception is the 3-month T-bills – policy rate relationship, whose residuals result to be nonstationary, indicating that there is no long-term co-movement between them two. Also, it is noteworthy to recall that regression of credit interest rate and policy rate should be taken with some doubt since they are of different order of integration, which might cause a spurious regression.

An obvious finding is that all interest rates (of interbank, primary and retail market) are highly dependent on the policy rate, with the long-term coefficient before policy rate being statistically significant and of high positive magnitude. This confirms also the results of the preceding study on the interest rate pass through.

As results of Table 1 show, the sign of the dummy capturing the effect of a contractionary monetary policy is negative in almost all the equations, while the sign of the dummy capturing the effects of an expansionary monetary policy is positive. This indicates that the 7-day interest rate of interbank market, 6-month and 12-month T-bills’ yields, and deposit rate react more strongly to a negative change (expansionary) rather than to a positive change (contractionary) in monetary policy rate. There are only two exceptions. One exception is the overnight interest rate, which reacts more to an increase in monetary policy rate. Another exception is the credit interest rate which results to follow more the path of an expansionary monetary policy, which is quite expected, especially given the recent times when Bank of Albania has consecutively decreased the monetary policy rate at its historical minimum, 3.75% without being

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3 KPSS test gives some different results compared to the ADF and PP tests. For more information, see Table 1c of Appendix
followed by decreases in credit interest rates. However, as mentioned above the credit-policy rate relationship should be taken with caution.

Table 1. Results on the asymmetry of long-term interest rate pass-through in Albania

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Explanatory Variables</th>
<th>Unit root of OLS residuals (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>repo_rate</td>
<td>dummy_increase</td>
</tr>
<tr>
<td>interbank market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>o_n</td>
<td>0.535099***</td>
<td>-0.03093</td>
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***, **, * denotes significance at 1% level, 5% level, and 10% level, respectively.

3. Conclusions, and Further Areas of Research

The aim of this study was to investigate the long-term asymmetry of interest rate pass-through in case of Albania, as a follow-up study of the previous material, which focused solely on the pass-through (its speed of adjustment, short- and long-term dynamics). This study, employing an OLS approach found evidence for existence of asymmetry from policy rate to all other interest rate taken into consideration, with few exceptions. So, the study found that 7-day interbank rate, 6- and 12-month T-bills’ yields and deposit rate react strongly to negative changes (expansionary) in monetary policy rate rather than to positive changes (contractionary). Though these results are based on empirical analysis, we believe there are some issues which could have been taken into consideration and which could have altered slightly some of the results.

First, the analysis would be more complete if we had studied the asymmetric effects of the short-run and speed of adjustment to the long-term equilibrium, already found in our empirical analysis. For that reason, we would have to use some more sophisticated models, like TAR (Threshold Autoregressive) or VECM incorporating asymmetric elements. Second, in the future we might choose to incorporate other indicators in the estimation which might better explain the asymmetry of the pass-through, such as: capital and liquidity requirements.

Third, it is also crucial to check for any structural breaks in the interest rate time series, as they might distort the results.

References

Pelgrin, F., Unit root test, University of Lausanne, Ecole des HEC, Sept.2012-Dec.2012, ppt
Pelgrin, F., Unit root test, University of Lausanne, Ecole des HEC, Sept.2012-Dec.2012, ppt
Tanku, A., The challenges of changing monetary policy setup; what should concern the Bank of Albania, *Bank of Albania Working Paper*
### Table 1. Unit Root Tests using Augmented Dickey Fuller (ADF), Phillips Perron (PP), and Kwiatkowski-Phillips-Schmidt-Shin (KPSS)

#### a) Augmented Dickey Fuller Tests

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The Grate Italian Personality of the XXth Century – Pope John Paul I

Prof. Sergey Shkarovskiy
State University of Management, High School of Economics, Moscow, Russia

Abstract

The Pope John Paul I is an outstanding religious representative of the Catholic Church who significantly contributed to the Italian history as well as to the Christian world. Albino Luciani is remembered as «a smiling Pope». He eloquently demonstrated how to treat people, to love them and to respect human dignity. The brief biography of Albino Luciani is described. John Paul I was a highly educated man, he knew six foreign languages. Luciani showed his strong position concerning the reformism of the Catholic Church after participation in the IIInd Vatican Council of 1962-1965. After the elections the new pope John Paul I began to carry out ecclesiastic reforms in order to bring the Church nearer to people. In this article the author shows difficult struggle Luciani had to sustain with the reactionary part of the Curia. John Paul I wanted to maintain discipline in the Church. He intended to continue fulfilling the commandments of Jesus Christ. Luciani had to be occupied with grave problems such as financial scandals in the Vatican Bank, abortion and use of contraceptives. The reasons for his elimination are analyzed. Prof. Shkarovskiy proved unnatural death of John Paul I and described the murder of the Pope. Albino Luciani is a saint person. It is proved by numerous miracles all over the world.

Keywords: Christianity, Catholic Church, reformism, ecclesiastic reforms, commandments, renovation, beatification, humanity.

Tra i rappresentanti religiosi di maggior rilievo spicca Papa Albino Luciani, che a seguito della sua elezione, scelse il nome di Giovanni Paolo I. Era il primo caso nella storia, in cui un potefice adottava il doppio nome. Ancora oggi questo papa è ricordato come «il papa del sorriso», perché ha conquistato il mondo con lo sguardo mite, l'onestà e l'umiltà. Ebbe la capacità di accendere l'entusiasmo dei fedeli e di portare loro, gioia e serenità. Le sue prediche si distinguevano per una sincerità ed un calore umano che nessuno degli altri papi dell'età contemporanea ha mai avuto.

Giovanni Paolo I è sempre stato un Santo. Per sua intercessione, sono avvenuti molti miracoli in tutto il mondo.

Albino Luciani, futuro Giovanni Paolo I, è nato in un paese di montagna, all'epoca chiamato Forno di Canale (oggi Canale d'Agordo) nella provincia di Belluno in Veneto. Questo paese si trova nel cuore delle Dolomiti. La sua famiglia era povera e numerosa. Suo padre Giovanni Luciani si recava spesso all'estero in cerca di lavoro. La madre, Tankon Bortoli, era una donna molto religiosa, attendeva spesso e con pazienza il ritorno del marito dall'estero dove si recava per lavoro e si dedicava alla cura della famiglia. Durante gli anni della guerra e del primo dopoguerra, la famiglia Luciani patì notevolmente la fame.

Come accennato prima, la madre Bortole Tankon era una donna molto credente. Lei infondeva anche ai suoi bambini la fede. All'età di cinque anni, Albino cominciò a frequentare la chiesa, entrando a far parte del coro parrocchiale dei bambini. Col tempo partecipò sempre di più alle attività della fede cristiana, organizzate in parrocchia, con ardente entusiasmo di servire Dio e la gente, legando così il suo destino alla chiesa. Il 17 ottobre del 1923, proprio nel giorno del suo undicesimo compleanno, Luciani lasciò la propria casa per recarsi prima a Belluno e poi a Feltre, per intraprendere gli studi in seminario.

Albino amava molto la lettura. La passione per la lettura risaliva ai tempi della prima infanzia, trascorsa in abbondante solitudine, in quanto non poteva giocare con i suoi coetanei. All'età di cinque anni già leggeva M.Twain, H.Heine, J.Verne, J.Goethe, C.Dickens, C.Goldoni e molti altri scrittori e personaggi storici. Aveva una memoria fenomenale. Gli bastava una sola lettura per memorizzare tutto il contenuto;Gli apparteneva, inoltre, la particolare dote di ricordare tutte le date. Albino amava studiare ed era portato specialmente per le lingue, tanto da apprenderne ben cinque: latino, greco, francese, inglese e tedesco, oltre, ovviamente, alla conoscenza perfetta della lingua madre.

Nell'ottobre del 1928, Albino si è iscritto al Seminario Gregoriano di Belluno. Nel 1935, diviene diacono. In questo anno si verificano altri eventi: il 7 luglio viene nominato sacerdote nella chiesa di San Pietro a Belluno, dove il giorno dopo ha celebrato la sua prima messa. Il 9 luglio viene nominato vicario, proprio nel paese d'origine, mentre il 18 dicembre intraprende il suo periodo di insegnamento presso l'istituto mineralogico.
Nel periodo a seguire, Albino si iscrive alla Pontificia Università Gregoriana di Roma, alla facoltà di filosofia, con libertà di frequenza.

Nell'autunno del 1937, Don Luciani viene nominato prorettore dello stesso Seminario Gregoriano di Belluno, in cui si era formato. Luciani vi lavorerà per dieci anni, preparando i futuri sacerdoti e creando un'atmosfera molto familiare. Egli ricordava con piacere i tempi dei propri studi.

Aveva una spiccata capacità di attirare l'attenzione e l' interesse dei suoi studenti. La sua passione per l'arte, la storia, la religione e le scienze umanistiche gli ha permesso di trovare nuovi approcci all'insegnamento. Luciani inventava i giochi, scherzava, cercando di realizzare un'atmosfera rilassata e di sostegno in classe.¹

Durante il periodo in cui Albino insegnava e svolgeva la sua missione pastorale, è scoppiata la Seconda Guerra Mondiale, un evento di fronte al quale non potè certamente essere indifferente, tanto da commentare con queste parole l'incontro del 19 luglio 1944 tra Mussolini e Hitler a Belluno: «Siamo nelle mani di due pazzì!»

Alla vigilia della nascita della Repubblica, e cioè il 23 novembre 1946, Albino discusse la tesi in filosofia presso la Pontificia Università Gregoriana, sul tema: «La natura dell’anima umana di Antonio Rosmini», un teologo italiano del XIX secolo, che nel 1848 scrisse un noto libro intitolato «Delle Cinque Piaghe della Santa Chiesa», che è stato immediatamente vietato dal Vaticano. In questa opera l’autore rileva la crisi della chiesa cattolica evidenziando cinque cause: 1) la distanza sociale del clero dal popolo; 2) il basso livello di formazione sacerdotale; 3) la dissociazione dei vescovi; 4) l’eccessivo interventismo della Chiesa nella vita sociale; 5) il concetto della proprietà e la dedizione della chiesa alla ricchezza. A causa di questo libro, Papa Pio IX tolse il cappello cardinalizio a Rosmini, avendo questa opera sconvolto profondamente il futuro pontefice.

In questo periodo, Albino Luciani intraprese anche la sua attività giornalistica, cominciando a collaborare con il giornale: «L’Amico del Popolo» su cui scrisse svariati articoli pacifisti, ispirato dal movimento giovanile della Democrazia Cristiana.

I capi locali della chiesa cominciarono a prestare attenzione per il giovane e virtuoso Don Luciani, che da quel momento iniziò l’ascesa alla scala gerarchica della chiesa, tanto da passare in soli 6 anni da vicario ordinario (02.02.1946) a vicario generale della diocesi di Belluno (06.02.1954).


Luciani amava parlare con la gente, andare a trovare le persone malate, conversare con i bambini durante le prediche. Frequентava tutte le sue parrocchie e amava ascoltare i problemi dei vari parrocchiani per aiutarli. Quando un bambino ammalato doveva ricevere la cresima, Albino si recava personalmente a casa sua.

Sebbene Luciani, in qualità di vescovo, potesse delegare molte delle sue funzioni, in realtà impegnò il meno possibile i suoi collaboratori. Luciani non amava sfoggiare gli abiti da alto prelato, in quanto preferiva vestire come un bambino ammalato doveva ricevere la cresima, Albino si recava personalmente a casa sua.

L’umiltà di Albino Luciani non deve tuttavia essere interpretata, come un fatto di debolezza, poiché quando bisognava affrontare le questioni difficili, egli sapeva essere fermo e deciso e farsi rispettare.²

Gli anni 60 furono per la chiesa cattolica un periodo di grandi cambiamenti. Giovanni XXIII-secondo aveva capito che era sopravvenuto il tempo di riformare la chiesa, rimasta troppo indietro rispetto all’evolversi dei tempi. La chiesa, in pratica, non era più al passo con i tempi. Convocò, a tal fine, il Concilio Vaticano II nell’anno 1962 che durò fino al 1965, sotto il suo successore Paolo VI. Nel corso del concilio furono approvati i documenti fondamentali per la vita della chiesa: quattro costituzioni, nove decreti e tre dichiarazioni. 2.540 vescovi cattolici parteciparono a questo evento epocale.

Albino Luciani ha attivamente partecipato al Secondo Concilio Vaticano. Luciani aderì energicamente alle nuove idee del Consiglio, cui rimase fedele per tutta la vita.


L’unicità della ricchezza, che Luciani, si portò dietro da Vittorio Veneto, era l’imponente mole di libri. Luciani non spese un soldo nemmeno per farsi le nuove vesti cardinalizie, in quanto utilizzò quelle già usate dal suo predecessore. Girava per

Venezia, vestito con semplice abito da prete, zucchetto e croce pettorale arrotolati in tasca. Dai primi giorni del suo patriarcato, Albino Luciani impartì l’ordine di lasciare aperte le porte del patriarcato a tutte le ore del giorno per i fedeli. Non fece mai eccezione per nessuno, accogliendo sempre tutti i visitatori.

Come patriarca Albino ricordò sempre la centralità del catechismo. Nel corso delle sue prediche, non esitava mai ad affrontare i problemi più ostici e vitali, che affliggevano i veneziani e cercava di calmare gli animi.


Nel 1972, in occasione di una visita pastorale di Paolo VI a Udine per il Congresso Eucaristico Nazionale, nella giornata del 16 settembre, Papa Montini decise di accompagnare il Patriarca Luciani a Venezia, fino a Piazza San Marco. Alla cerimonia sopraggiunsero ben 20.000 persone. Il Papa salutò tutti in compagnia del Patriarca sorridendo. Al termine della cerimonia, Paolo VI si tolse impovvisamente la stola per porla sulle spalle di Luciani, cogliendo tutti di sorpresa.

Albino Luciani stesso, racconterà di quel giorno, nell’Angelus di domenica 27 agosto 1978, il giorno successivo della sua elezione a Sommo Ponfice. Paolo VI con questo gesto simbolico ha dimostrato a tutti che lo avrebbe preferito come suo successore.


Albino Luciani amava scrivere. Nel 1976 a Padova, fece pubblicare dalla casa editrice «Messaggero di Sant’Antonio» un libro intitolato «Illustrissimi», che a seguito della sua elezione pontificale, diventò un best-seller. In questo libro Albino Luciani dialoga con 40 personaggi illustri e famosi, quali: Gesù Cristo, Francesco Petrarca, Pinocchio, Maria Teresa d’Austria, re David, Charles Dickens, Cicikov, Figaro, Goethe, Carlo Goldoni, ippocrate, Sir Walter Scott e Mark Twain. In tal modo originale, Luciani ha espresso il suo punto di vista e tutti i suoi pensieri sugli eventi attuali che interessavano il paese ed il mondo, sulle sfide future della Chiesa.

Nel luglio del 1977, suor Lucia incontrò cardinale Luciani. Questa città è famosa nel mondo per le apparizioni della Madonna, a cominciare dal lontano 13 maggio 1917, a tre pastorelli, tra cui fu Lucia Dos Santos, Lei diventò suora. Suor Lucia è morta il 13 febbraio del 2005.


Il 6 agosto 1978, Papa Paolo VI morì a Castel Gandolfo, la residenza estiva fuori Roma. Iniziò, così, il periodo di «sede vacante».

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3 http://it.wikipedia.org/wiki/Illustrissimi
Il 1 ottobre 1975, Paolo VI, sapendo che avrebbe lasciato a breve questo mondo, pubblicò l'enciclica, in cui stabilì una nuova procedura per l'elezione del successore di Pietro, regolamentando il periodo della «sede vacante». Stabili, in particolare, che tutti i cardinali, dovessero rassegnare le dimissioni, per dare al nuovo papa piena libertà di fare nuove nomine. Il posto di camerlengo sarebbe spettato al Segretario di Stato Jean-Marie Villot. La gestione generale della Chiesa sarebbe stata svolta dal Sacro Collegio dei Cardinali, che fissò l'inizio del conclave per il 25 agosto. Al conclave di fine agosto parteciparono 111 cardinali.

Secondo i mass media, ancora una volta, il futuro papa sarebbe stato un italiano. Ma non tutti i cardinali condividevano questo punto di vista, in particolare i cardinali non italiani. Anche il cardinale Luciani desiderava che il nuovo papa fosse il rappresentante dell'America Latina. Egli, infatti, appoggiava apertamente il cardinale brasiliano Aloisio Lorscheider, che conosceva bene. Albino Luciani, il 10 agosto del 1978, dichiarò apertamente alla sua Diocesi, che avrebbe votato per il cardinale brasiliano.

Si sentiva il bisogno di un papa pastore, gran devoto, favorevole alla divisione dei poteri ed alla collegialità, in grado di riconoscere i reali bisogni della gente. Bisognava promuovere la collaborazione tra i paesi occidentali ed orientali (NATO e Patto Varsavia).


Oltre ai problemi di carattere mondiale, vi erano i problemi interni dell'Italia, in particolare, attinenti ai rapporti tra cattolici e comunisti. Proprio in quegli anni ’70, l’Italia dovette affrontare il peggior periodo dal dopoguerra: il terrorismo delle «brigate rosse». Questa piaga sociale ha ricevuto il suo picco nei mesi marzo-maggio, quando fu rapito e poi assassinato il primo ministro Aldo Moro.

Incombevano al futuro pontefice i più gravi problemi, sorti sotto il pontificato di Paolo VI, quali: l’organizzazione interna della Chiesa, l’evangelizzazione, l’ecumenismo, la collegialità ecclesiastica, il ruolo dei vescovi, l’equilibrio tra il modernismo e tradizionalismo, il controllo delle nascite, il celibato obbligatorio del clero, il ruolo delle donne nella vita della Chiesa, la teologia, la libertà e la lotta per la pace nel mondo. Particolarmente acuto era il problema del risanamento della Chiesa sarebbe stata svolta dal Sacro Collegio dei Cardinali, che fissò l’inizio del conclave per il 25 agosto. Al conclave di fine agosto parteciparono 111 cardinali.

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Si sentiva il bisogno di un papa pastore, gran devoto, favorevole alla divisione dei poteri ed alla collegialità, in grado di riconoscere i reali bisogni della gente. Bisognava promuovere la collaborazione tra i paesi occidentali ed orientali (NATO e Patto Varsavia).

Oltre ai problemi di carattere mondiale, vi erano i problemi interni dell'Italia, in particolare, attinenti ai rapporti tra cattolici e comunisti. Proprio in quegli anni ’70, l’Italia dovette affrontare il peggior periodo dal dopoguerra: il terrorismo delle «brigate rosse». Questa piaga sociale ha ricevuto il suo picco nei mesi marzo-maggio, quando fu rapito e poi assassinato il primo ministro Aldo Moro.

Incombevano al futuro pontefice i più gravi problemi, sorti sotto il pontificato di Paolo VI, quali: l’organizzazione interna della Chiesa, l’evangelizzazione, l’ecumenismo, la collegialità ecclesiastica, il ruolo dei vescovi, l’equilibrio tra il modernismo e tradizionalismo, il controllo delle nascite, il celibato obbligatorio del clero, il ruolo delle donne nella vita della Chiesa, la teologia, la libertà e la lotta per la pace nel mondo. Particolarmente acuto era il problema del risanamento delle finanze vaticane, soprattutto a seguito del clamoroso scandalo del fallimento del «Banco Ambrosiano», con le conseguenti ripercussioni sulle finanze della Banca Vaticana: lo IOR, guidato da Mons. Marcincus.

La Curia Romana voleva scegliere il proprio candidato tra i cardinali che intendessero proseguire l’opera intrapresa dai predecessori.

Il nome del Patriarca di Venezia, Albino Luciani non fu menzionato, inizialmente, da alcuna testata giornalistica. Ma ciò non significò assolutamente che la sua candidatura non venisse presa in considerazione, tanto che la maggior parte dei cardinali dell’America Latina propose proprio Luciani come il successore di Pietro. Di gran rilievo per l’elezione di Luciani al soglio pontificio, fu soprattutto il contributo del cardinale di Firenze, Benelli.

Poco tempo prima del conclave, il nome di Luciani fu menzionato soltanto da un quotidiano italiano «Il Giorno» e da uno francese «Le Manin». Il 22 agosto il giornalista italiano Gianfranco Zizola ha pubblicato nel quotidiano «Il Giorno» un articolo intitolato «Chi sarà il nuovo papa? Albino Luciani. Con i poveri (ma non a sinistra)». Il giorno dopo «Le Manin» di Parigi ha ricopiato lo stesso articolo in francese. L’opinione di Zizola si basò sull’intervista concessa dal cardinale Benelli poco tempo prima del Conclave, nonché sulle informazioni ricevute da una delle coalizioni cardinalizie che avevano considerato Luciani uno dei nominabili. Questo gruppo era tuttavia fortemente osteggiato dal conservatore Siri.\(^5\)

Fu allora che i giornalisti cominciarono subito ad intervistare il patriarca di Venezia. A loro, Luciani, rispose dicendo di essere al massimo nella lista di serie C per la nomina papale ed il suo nome fu rapidamente «dimenticato».

Il 25 agosto, proprio prima del conclave, lo stesso «Le Manin» ha pronosticato nell’articolo «Les dernières manoeuvres vaticanes» («Le ultime manovre vaticane») la candidatura di Luciani, sostenuta dai cardinali africani e latino americani, nonché dai pochi cardinali curiali, inclusi Pellegrino ed Ursi. Nell’edizione pomeridiana il giornale francese ha aggiunto che l’alleanza si apri anche ai conservatori, perché nella biografia di Luciani, si constatarono anche episodi di fermezza e di restaurazione dottrinale e disciplinare. Alla fine, il 27 agosto «Le Manin», in attesa dei risultati del conclave, scrisse che Luciani aveva le più forti chance di conseguire l’elezione papale all’unanimità, rispetto ad altri Cardinali più estremisti come Siri e Benelli. Luciani era assolutamente sicuro di non essere eletto.

Il 26 agosto di mattina I cardinali hanno celebrato la messa «per l’elezione di un pontefice romano», sono entrati nella Capella Sistina. Cardinale Luciani è stato eletto Papa alle 18.05 dello stesso giorno dopo il quarto scrutinio. Lui ha scelto il nome Giovanni Paolo I, il primo doppio nome nella storia della Chiesa cattolica.

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Alle 19:18 si sono aperte le finestre sul balcone della Basilica San Pietro. Si è affacciato lo stesso Luciani un po’ stanco, sebbene si vedessero bene sul suo viso la gioia ed il sorriso, che hanno colpito subito il mondo intero.

Il 27 agosto all’ultima riunione del conclave nella Cappella Sistina Giovanni Paolo I fece il suo primo discorso ufficiale davanti a tutti i cardinali. Luciani proclamò il suo programma, che includeva 6 argomenti fondamentali:

1. «Vogliamo continuare nella prosecuzione dell’eredità del Consiglio Vaticano II, vegliando affinché non se ne travisino i contenuti ed i significati, e non se ne rallentino il magnifico impulso di rinnovamento».

2. «Vogliamo conservare intatta la grande disciplina della Chiesa, nella vita dei sacerdoti e dei fedeli, sia nell’eredità delle virtù evangeliche che nel servizio dei poveri, degli umili e degli indigenti».

3. «Vogliamo ricordare alla Chiesa intera che il suo primo dovere resta sempre quello della evangelizzazione».

4. «Vogliamo continuare lo sforzo ecumenico, vegliando con fede immutata, con speranza intatta e con amore indeclinabile, alla realizzazione del grande comandamento di Cristo: essere una cosa sola».

5. «Vogliamo proseguire con pazienza e fermezza in quel dialogo sereno e costruttivo, che il compianto Paolo VI ha posto a fondamento e programma della sua azione».

6. «Vogliamo infine favorire tutte le iniziative lodevoli e buone che possano tutelare ed incrementare la pace nel mondo».

Quasi subito dopo l’elezione a papa iniziò a lavorare per una nuova enciclica, da dedicare all’unità della chiesa, alle donne, alla collegialità ed alla povertà.

Lo stesso giorno, a mezzogiorno, il nuovo pontefice ha tenuto il suo primo Angelus domenicale davanti a duecento mille persone raccolte in piazza San Pietro. Milioni di persone da tutto il mondo, guardavano ed ascoltavano, in diretta, il loro nuovo vicario di Cristo. Luciani, prima di recitare la preghiera, si rivolse spontaneamente ai fedeli accorsi nella gran piazza, con linguaggio semplice e comprensibile a tutti, dicendo:

«Ieri, ieri mattina, son andato alla Sistina a votare tranquillamente. Mai avrei immaginato quello che stava per succedere. Appena cominciò il pericolo per me, i due colleghi che erano vicini, mi hanno sussurato parole di coraggio. Uno ha detto: «Coraggio: se il Signore dà un peso, dà anche l’aiuto per portarlo». E l’altro collega: «Non abbia paura, in tutto il mondo c’è tanta, tanta gente, che prega per il papa nuovo. Venuto il momento ho accettato. Spero che mi aiuterete con le vostre preghiere».


Giovanni Paolo I decise di semplificare notevolmente la tradizionale cerimonia d’inizio del pontificato. A questo evento fu tolto il nome di «messa d’incoronazione», sostituito con quello di «intronizzazione». Luciani ha abolito l’uso della tiara, il prezioso triregno a forma di ogiva sormontato da tre corone e la sedia gestatoria. Il Papa salirà a piedi all’altare. La cerimonia non durerà più di 6 ore. Per ottenere questo risultato, dovette sopportare un lungo dibattito nel corso del quale rimase irremovibile. Lo stesso giorno Giovanni Paolo I lasciò Villot nella posizione di Segretario di Stato e riconfermò le cariche degli altri cardinali in Curia.

Nella giornata di venerdì 1 settembre 1978, il papa tenne la sua prima conferenza stampa con i giornalisti. In tale occasione rivelò pienamente il suo talento giornalistico. Alla riunione parteciparono 300 persone. Giovanni Paolo I, confessò loro che se non fosse diventato prete, avrebbe fatto il giornalista.

Il 5 settembre, Giovanni Paolo I ricevette la delegazione delle confessioni cristiane non cattoliche che parteciparono alla cerimonia di intronizzazione del 3 settembre. Tra gli inviati ci furono i rappresentanti della Chiesa ortodossa russa. La delegazione russa fu guidata dal metropolita di Leningrado Nikodim (Boris Rotov). Alle 10:00 Nikodim mentre presentava i membri della sua delegazione, improvvisamente, cadde tra le braccia del pontefice. Il Metropolita venne colto da malore: infarto per arresto cardiaco. Nikodim stimava molto il cattolicesimo e desiderava riavvicinare le due chiese sorelle. Pochi anni dopo, venne, persino, avanzata un’ipotesi mai confermata, che il Metropolita morì avvelenato per aver bevuto nel calice, presumibilmente destinato a Giovanni Paolo I. Nikodim aveva solo 49 anni.

7 http://www.religio.ru/lecsicon/03/120.html
Giovanni Paolo I durante il suo breve pontificato ha avuto quattro Udienze generali con i suoi fedeli nella grande Sala Nervi del Vaticano, che accoglieva circa 15.000 fedeli. Il primo di questi eventi ha avuto luogo il 6 settembre. Il tema della riunione era «La grande virtù dell’umiltà».

Domenica, 10 settembre dopo aver celebrato la messa mattutina, alle ore 12,00 a.m. si è affacciato alla finestra del terzetto piano del Palazzo Apostolico per recitare la tradizionale preghiera domenicale dell’Angelus Domini, poi si è soffermato sulla necessità di risolvere il conflitto nel Medio Oriente, citando il Vecchio ed il Nuovo Testamento e persino il Corano. Alla fine della preghiera disse:

«Noi siamo oggetto da parte di Dio di un amore intramontabile. Sappiamo che ha sempre gli occhi su di noi, anche quando sembra che ci sia solo la notte. È papà; più ancora è madre!»

Queste parole hanno spaventato subito i nemici di Albino Luciani, che, in risposta alle loro critiche, disse che tali parole erano state dette dal profeta Isaia.

La giornata del 12 settembre fu molto drammatica. Sulla scrivania del Papa comparve il numero appena uscito della rivista OP («Osservatore Politico»), del giornalista Mino Pecorelli, che pubblicò l’elenco dei membri della loggia massonica P2, che includeva 131 nomi di persone religiose di alto livello, con tanto di numero di registrazione e soprannome, all’interno dell’organizzazione massonica.


Nella giornata del 13 settembre, Giovanni Paolo I iniziò a studiare la situazione dello IOR. Il pontefice si preparò ad incontrare i rappresentanti degli Stati Uniti, che volevano discutere con lui delle diverse operazioni finanziarie illecite, fatte da Sindona, Calvi e Marcincus. All’incontro con il pontefice, vennero sei persone: due uditori della Banca d’Italia, e quattro rappresentanti della FBI (Federal Bureau of Investigation degli Stati Uniti, Ufficio federale di investigazione) e del ministero di giustizia americano che comunicarono al Papa di aver preparato una relazione sulle frodi finanziarie di Marcincus, Sindona e Calvi, e che prima o poi tutto ciò sarebbe stato reso pubblico, preannunciando che a seguito di questo fatto, la Santa Sede sarebbe stata colpita da un gravissimo scandalo. Giovanni Paolo I sapeva già bene come avrebbe dovuto agire, ma il tempo disponibile era ormai poco. 8

Al suo secondo incontro nella Sala Nervi, erano presenti quasi ventimila persone e la sala era totalmente piena. La Curia romana convinse il Papa a sedersi sulla sedia gestatoria affinché tutti i presenti avessero la possibilità di vederlo. Giovanni Paolo I, parlò della fede, citando il poeta romano Trilussa.

Il 19 settembre, Giovanni Paolo I iniziò ad organizzare un piano di sostituzioni da apportare in Vaticano ed a preparare nuove encicliche riguardanti i futuri cambiamenti della Chiesa cattolica, secondo gli insegnamenti del suo fondatore Gesù Cristo, perché sentiva la necessità di riportare la Chiesa alle origini, e quindi a maggiore semplicità, umiltà e vicinanza a Dio ed ai fedeli.

Martedì il 20 settembre, continuò a dedicarsi al rinnovamento della chiesa. Nella stessa sera, lo attendeva la sua terza udienza con i fedeli alla Sala Nervi. Dedicò questo terzo incontro con i cattolici, alla virtù teologale della speranza.

Sabato il 22 settembre Papa Luciani fece una sola visita fuori il Vaticano, si preparò per la sua prima e sola visita ufficiale fuori del Vaticano, nella Basilica di San Giovanni in Laterano. Il Papa dovette cedere per la seconda volta ai cardinali della curia romana e sedersi sulla sedia gestatoria, che lo portò sino all’entrata della Basilica. In quel giorno, per l’ultima volta venne usata la sedia gestatoria, che il papa successivo ripose, in seguito, nei Musei Vaticani.

Martedì il 26 il pontefice completò la preparazione del nuovo organigramma e la dottrina aggiornata della Chiesa. Quella stessa sera, si svolse l’ultima udienza pubblica tenuta da papa Luciani nella Sala Nervi. Il tema di quell’incontro fu la carità.

Il 28 settembre fu l’ultimo giorno di vita di Giovanni Paolo I. Quella mattina Albino Luciani si alzò alle 4:30. Alle 7:00 fece colazione ed alle 8:00 iniziò a lavorare.

Il Papa contattò i cardinali Pericle Felici e Giovanni Benelli. Luciani ebbe un colloquio con il cardinale Baggio, cui comunicò la decisione di sostituire il cardinale Cody di Chicago (arcevescovo di Chicago, una della più ricche diocesi del mondo. La sua diocesi comprendeva 2,5 milioni di fedeli, più di tremila sacerdoti ed oltre 450 parrocchie. Cody aveva, infatti, occultato le entrate economiche diocesane, facendole proprie, per un ammontare di circa 250 milioni di dollari).


Dopo l’accesa conversazione con il Segretario di Stato in carica Villot, il pontefice parlò telefonicamente con il cardinale Colombo, che subito dopo la morte del pontefice, disse: «Giovanni Paolo I mi ha parlato a lungo con tono normalissimo, dal quale non era possibile arguire qualsiasi malore fisico. Il saluto finale invocava preghiere, ed era pieno di serenità e speranza».

Alle 21:30, Papa Giovanni Paolo I si congedò con queste ultime parole ai suoi segretari: «Buona notte. A domani. Se Dio vuole».

Poi chiuse la porta. La mattina seguente il pontefice verrà trovato morto.


Gli eventi successivi rimangono ancor più inspiegabili. Intorno alle 5:00, il cardinal Villot entra nell’appartamento del papa appena morto: si affretta a far sparire subito tutti gli oggetti personali del papa: occhiali, scarpe, medicine, appunti, e quant’altro si trovasse nella sua camera da letto. Dopo sole 12 ore dalla scoperta del papa deceduto non c’era già più nessuna traccia di Albino Luciani pontefice romano.

Villot ha chiamato Buzzonetti, il medico del Vaticano, che ha fatto un esame esterno del corpo di Luciani. Il medico ha diagnosticato un infarto del miocardio. Ci si chiede se sussista una validità diagnosi senza autopsia! Il medico ha inoltre costatato che la morte sarebbe avvenuta intorno alle 23.00 del giorno precedente, per l’appunto del 28 settembre. Ma anche questo dato non si sarebbe potuto accertare con maggiore precisione col predetto esame che in realtà non è stato mai effettuato. Buzzonetti ha, inoltre, conosciuto il papa solo sul letto di morte, non avendolo mai incontrato né visitato prima. L’assenza dell’autopsia e la discordanza delle sue conclusioni con altre risultanze, né hanno comportato un’inevitabile giudizio di presunzione. Il medico della Santa Sede, non sapeva nemmeno quali medicine prendesse il Papa. Inoltre, il documento ufficiale sulla morte del Santo Padre è stato pubblicato addirittura ad una sola settimana dalla morte. Tutto questo evidenzia come le cause della morte di Giovanni Paolo I possano essere, con ogni probabilità, del tutto innaturali.

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In quella stessa mattina, Villot ha chiamato i fratelli Signoracci al fine di far imbalsamare il corpo del Papa morto. Si trattava per gli stessi della terza chiamata, avendo imbalsamato già altri due papi prima di lui: (Giovanni XXIII-secondo nel giugno del 1963 e Paolo VI nell’agosto del 1978). Un'auto del Vaticano è stata così inviata per andarli a prendere.

Altro fatto strano, che merita considerazione, è che in quella stessa mattina, verso le 6:45, Marcincus si avvicinò al Vaticano, cosa del tutto anomala se si considera che in 30 anni non si era mai alzato presto.

Appena saputo della morte del pontefice, Villot ha intimato a tutti di tacere. Nonostante il divieto, Don Lorenzi informa ugualmente il medico personale di Luciani: Giuseppe Da Rosa che curava Luciani da più di 20 anni e che si trovava in quel momento a Venezia. Da Rosa, saputo della morte del pontefice, si è recato immediatamente a Roma, senza fare in tempo a vedere il corpo del papa, prima dell’imbalsamazione.

Don Diego Lorenzi ha chiamato successivamente Pia Luciani, la nipote più amata del Papa.

Alle 6:30 il telegiornale straordinario su RAIUNO ha trasmesso la notizie sulla morte di Giovanni Paolo I. Alle 7:20 suonavano le campane funebri di Canale D’Agordo, paese natio di Albino Luciani. Alle 7:27 Radio Vaticana trasmetteva il testo scritto dal cardinale Villot, diventato automaticamente camerlengo. Ecco il comunicato fatto trasmettere dal cardinale «grigio»:

«Questa mattina, 29 settembre 1978, verso le cinque e mezzo, il segretario privato del Papa, non avendo trovato, diversamente dal solito, il Santo Padre nella cappella del suo appartamento privato. Lo ha cercato nella sua stanza e lo ha trovato morto nel letto con la luce accesa, come se fosse intento a leggere. Il medico, dottor Renato Buzzonetti, che è accorso nella stanza del Papa, ha confermato la morte, che è avvenuta presumibilmente verso le undici di ieri sera, asserendo che si è trattato di «morte improvvisa, che potrebbe essere stata causata da infarto miocardico acuto».

Questo messaggio rivela, tuttavia, nonostante la sua brevità, tre discordanze. In primo luogo, che il Papa è stato trovato morto alle 4:45 anziché alle 5:30. In secondo luogo, che è stata suor Vincenza a scoprire il cadavere del papa e non il segretario privato. In terzo luogo che il papa non poteva essere morto alle 23:00 del 28 settembre, perché quando suor Vincenza ha verificato il polo del papa, la mano era ancora tiepida.

A questo punto sorge una domanda - perché Villot abbia fatto diffondere quel comunicato ufficiale così falso? Più tardi, Villot ha corretto il suo comunicato. Il segretario che aveva scoperto il papa morto sarebbe stato don Magee, un’altra bugia. Secondo Villot, Giovanni Paolo I non teneva in mano un foglio con il nuovo organigramma del Vaticano, ma una copia del libro «Le imitazione di Cristo». Anche questa informazione era falsa, perché il libro del Papa si trovava ancora a Venezia. Alcuni giorni prima, poiché Luciani desiderava trarre alcune citazioni dal libro, aveva inviato don Lorenzi a prenderne in prestito una copia dal suo confessore. Tuttavia, lo stesso, era stato già restituito al proprietario qualche giorno prima che il papa morisse. Il Vaticano sotto la direzione di Villot continuava a disorientare tutto il mondo fino al 2 ottobre.

Sempre il cardinale Villot ha preso la decisione di imbalsamare il corpo del Papa molto precipitosamente, superando la dura resistenza di due cardinali di spicco: Felice e Benelli, al corrente del nuovo organigramma vaticano che Luciani voleva pubblicare proprio il 29 settembre. Dal mondo esterno alle mura vaticane, si facevano sempre più accese le richieste di sottoporre il corpo del Papa ad autopsia. Secondo le leggi italiane i corpi dei defunti possono essere imbalsamati dopo 24 ore dalla morte. Il corpo di Paolo VI è stato imbalsamato in conformità con le leggi italiane. Secondo il diritto canonico, il camerlengo ha il potere di vietare l’autopsia e Villot naturalmente se ne è avvalso. L’ultima autopsia in Vaticano era stata eseguita nel 1830 sul corpo di Pio VIII.

Lo stesso giorno per la prima volta, il corpo di Giovanni Paolo I è stato esposto al pubblico nella sala Clementina accanto agli appartamenti papali. Il corpo del Papa non era ancora imbalsamato. Alle 11:00 l’hanno portato via. Il processo di imbalsamazione è iniziato sotto controllo. I fratelli Signoracci hanno ricevuto l’ordine di non estrarre niente dal corpo. Perché è stata data questa disposizione? Evidentemente per far sparire le tracce del reato. Del resto in che altro modo si sarebbe potuto scoprire la verità?

Ultimo elemento sbalorditivo è che i fratelli Signoracci dopo aver esaminato il corpo del papa, hanno constatato che Albino Luciani non poteva che essere morto tra le 4:00 e 5:00 del 29 settembre e non alle 23:00 del 28 settembre. Questo significava che suor Vincenza era entrata negli appartamenti papali quasi subito dopo la morte. Solo l’autopsia poteva dissipare tutti i dubbi e reprimere ogni controversia direttamente sul nascere. L’imbalsamazione è stata completata nel pomeriggio del 30 settembre.

Ci sono altri fatti che confermano la versione dell’omicidio di Giovanni Paolo I. Perché l’autovettura del Vaticano che doveva andare a prendere i fratelli Signoracci è partita alle 5:00 a.m. e cioè prima ancora che il corpo di Luciani

venisse trovato morto alle 5:30 a.m. nella sua stanza? Probabilmente Villot era già a conoscenza della morte del pontefice e più precisamente dell’assassinio del papa. I testimoni hanno infatti riferito che Villot, una volta entrato nella stanza da letto del papa, dopo aver scoperto il cadavere senza alcun imbarazzo ha effettuato alcune telefonate direttamente dal telefono del papa.  

Suor Vincenza ed entrambi i segretari del Papa morto hanno visto delle carte sia nelle mani del papa defunto che sulla scrivania papale. Dopo la partenza del cardinale Villot, tutti quei documenti oltre agli oggetti personali del Papa sono spariti. Don Diego Lorenzi ha riferito che dopo la visita di Villot, egli stesso insieme a don Magee è entrato più di una volta nella stanza del papa per ricercare quei documenti, senza trovare nulla. Inoltre, don Lorenzi che dormiva nella stanza da letto adiacente a quella del papa, ha riferito di non aver sentito suonare, in quella mattina del 29 settembre, la sveglia di Luciani alle solite ore 4,30 a.m. a differenza di tutte le altre mattine.

Durante il pontificato, il papa non ha mai dato l’impressione di soffrire problemi di salute. Al massimo appariva semplicemente stanco, ma ciò veniva addebitato all’ingente quantità di lavoro cui era tenuto. Dopo le dichiarazioni di Sinigaglia le richieste di fare l’autopsia sono state intensificate, in quanto nessun esame esterno avrebbe mai potuto avere l’attendibilità e la completezza di un’autopsia.

Adesso veniamo alla domanda principale: come è stato ucciso Giovanni Paolo I?

La nipote del Papa Lina Petri, figlia di Antonia, sorella del pontefice, è stata la prima persona esterna al Vaticano a vedere Albino Luciani morto. La stessa riferì di aver notato che la biancheria da letto era stata tolta. Lei restò in piedi, guardando il corpo di suo zio. La testa era voltata verso la porta, e sembrava che sorridesse. Rimase in quella camera per circa venti minuti, quando si accorse che le maniche del suo abito papale erano molto sguainate, domandandosi perché erano ridotte in tale stato.

Pare che il pontefice avesse già capito che lo attendeva una morte inevitabile. Per questo motivo rimase seduto vicino alla scrivania fino a tarda, lasciando persino la porta del suo studio aperta, per aspettare l’assassino. Con ogni probabilità Luciani aveva notato persino che il campanello d’allarme era stato disattivato. Dopo essere entrato, l’assassino si è avvicinato al Papa, l’ha preso per le maniche e portato al letto. Giovanni Paolo I probabilmente è stato soffocato con un cuscino. La nipote Petri ha evidenziato che sul letto non c’era niente, per cui tutte le tracce del crimine erano state sicuramente, già, rimosse prima del suo arrivo in modo da non permettere alcun sospetto sulla morte dello zio. Dal video, che riproduce la prima esposizione del pontefice defunto nella Sala Clementina, si scorgono, sul viso del pontefice defunto, delle strisce sotto gli occhi e sopra le sopracciglia. Questi segni potrebbero far pensare che l’assassino abbia messo qualche cosa sul volto del Papa, soffocandolo. Resta strano che nessuna guardia svizzera si sia accorta di nulla.

Il 4 ottobre Giovanni Paolo I venne tumulato. Pioveva, come se la natura piangesse per la sua scomparsa. Papa Luciani è stato sepolto nella grotta Vaticana sotto la Basilica San Pietro, vicino alla tomba del primo papa e di molti altri pontefici romani.

Fino ad oggi il Vaticano non ha fatto niente per raccontare al mondo la verità dell’assassinio dell’ultimo papa italiano.

La storia di Papa Luciani non finisce qui, perché la gente continua ancora oggi a vederlo come un santo, a partire dai suoi innumerevoli devoti miracolati che ne chiedono a gran voce la canonizzazione.

La morte di Giovanni Paolo I, non è riuscita a cancellare la buona memoria di uno dei più illustri personaggi italiani del secolo. Molte strade e piazze in Italia portano oggi il nome di Papa Luciani. Persino la nuova università romana è stata a lui dedicata.


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Acquisition of Real Estate by means of the Contract of Sale Based on Albanian Legislation

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Abstract

The contract of sale is one of the most useful contracts in the civil area by which are achieved the majority of commercial and legal-civil activities. The contracts of sale bear a special importance in relation to the socio-economical and political issues that are characteristic of national and international developments. Today they are considered to be an undeniable incentive for the economical initiatives of anyone without taking in consideration the fact that they might be Albanian or foreign citizens, public or private juridical person. A double economic function is achieved due to the contract of sale. On one hand the circulation of goods or in general of the rights and on the other hand the circulation of money. The contract of sale in many cases has caused many problems which stand at the roots of conflicts that should be dealt with and that require solutions in different legal ways. In this sense, because of the characteristics of the contract, it is very important the detailed analysis of it in order to make known the particular nature of the legal contract of sale as a juridical action, the elements of the contract of sale, its characteristics, the conditions of its validity, the settlement, the end and withdrawal from the contract. As far as the contracts of sales are concerned, the Albanian Civil Code foresees only two kinds of contracts of sales, basically the sale of real estates article 750 and the sale of property on bail in article 746. Referring to the kinds of the contracts of sales the business world consistently establishes new ones. Since contract of sale and its kinds are similar and numerous, it is inevitable that they may merge between them and other contracts that deal with the property, therefore the study of these contracts and the problems deriving from them in relation to different institutions of right referring to national and international transactions is very important.

Keywords: contract, side, sale, will, property, rights, obligation

1. The Basis and Evolution of the Contractual Right in Albania

Albania has been part of the Byzantine Empire for a long time. During the V-XII A.C. the economical, political and social organisation has preserved the same characteristics and traits that have been present during Roman rule due to the fact that the Byzantine rule in Albania lasted about 1000 years (Wilkes, 2005, p. 49-54). The feudal period is the first stage of the establishment of the first state of Albania in the XII century. In this period, special importance was given to various contracts such as: selling, renting, ordering, giving, etc. The increase of the civil circulation was preceded by an increase of the function and importance of notary. The notaries drafted testaments, contracts of sale, of real and personal property as well as other papers which based on law were supposed to be made by notarial act (The history of the Albanian state and that of Right in Albania, 2011, p.115). In the medieval cities of Albania there were a considerable number of notaries particularly in Durrës who were organised in guilds (Oliver Jean Schmitt, 2007, p. 397-424). During the XIV century a well prepared organisation was applied to the contractual relations and from this period are preserved a number of contracts such as: selling, renting, ordering, giving, etc. The increase of the civil circulation was preceded by an increase of the function and importance of notary. The notaries drafted testaments, contracts of sale, of real and personal property as well as other papers which based on law were supposed to be made by notarial act (The history of the Albanian state and that of Right in Albania, 2011, p.115). In the medieval cities of Albania there were a considerable number of notaries particularly in Durrës who were organised in guilds (Oliver Jean Schmitt, 2007, p. 397-424). During the XIV century a well prepared organisation was applied to the contractual relations and from this period are preserved a number of contracts that testify a well developed technique of the drafting of these kind of legal papers. After the declaration of Independence and the establishment for the first time of a real Albanian State, the creation and reconstruction of the public institutions by approving laws on that purpose became necessary. Although the Ismail Qemali’s government made some changes and legal regulations, in some aspects it left in power the laws which were used during the Otoman invasion until the approval of the new laws. In 1912 until 1919 the right of obligations in Albania was regulated from Mexhele that recognised as the sources of the results of obligations of the contract, the cause of damage and enrichment without good cause. Among the main contracts were the selling, giving, use of borrowed money, warranty, pledge, deposit, order etc (Semini, 2006, p. 36). The juridical regime of land until the year 1925 continued to be that of the Otoman Empire, which was regulated by the new law of lands of the year 1856. (Pulaha Selami, “ The Feudal Ownership in the Albanian Properties, XV-XVI, Tirana, The Science Academy of PRA. History Inst., 1888).
The Civil Code of The Albanian Kingdom of the year 1929 was a novelty for the reality of the Albanian state and society. There was no doubt that foreign rights particularly French, Italian and to a certain degree German and Swiss would inspire the Albanian Legislation to ratify in its acts the equality of the citizens, the emancipation of property over land and the freedom for participation in economical activities. This orientation would lay down the belonging of the Albanian civil right in the Roman-Germanic family, by completely separating it from the Ottoman right. The same tradition continued even in the Code of Trade of the year 1932. Despite the fact that it was supported by the most advanced legislations of the time, the changes that occurred in Albania after the second World War, with the establishment of the so-called “popular regime”, would bring its abrogation as well as legal, social and economical regress. After the year 1945 the civil legislation has been totally poor and disorganised. This period until the year 1990 can be considered a period of regress as far as the evolution of the right of property and contractual relations are concerned. The laws and decrees (Decree no. 2083, date 6.7.1955 “On Property”) that were approved during this period considerably weakened and limited the private property. This one was restricted only about personal property, particularly those that belonged to the individual. Furthermore, the regulation and the role of contracts during this period suffers a continuous weakening.

Private property on land, forests, grasslands etc. disappeared completely in 1966 when the agricultural co-operatives and public enterprise were spread all over the country. These steps were consolidated furthermore and all land was declared state property by the constitution of 1976. As a result of the process of passing from private to state property, there was no contractuar relation or real legal actions on property. A similar system, but in which the politics and ideology were displayed openly, was preserved in the Civil Code of 1981.

The Civil Code of 1981 provides that "The main source of the initiation of obligations in the Popular Socialist Republic of Albania are the acts of the planification of the socialist economy from the institutions in charge" (Article 140 of the Civil Code 1981). As mentioned above, the main source in contractual relations is not the conformity of ideas between the parties involved but the obligation to meet the requirements of the economic plans decided by the Popular Socialist Republic of Albania.

As far as the signing of individual contracts is concerned, they can "sign contracts to accomplish their material and cultural needs as well as for taking of benefits from owning their personal properties", (Article 14). What is characteristic about this period is the fact that the legislation for the execution of juridical-civil duties was present but what lacked was the real and effective possibility to execute these duties.

2. The Comprehension of the Contract of Sale Based on Albanian Legislation

The contract of sale is the most common legal means in civil circulation. The main legal and commercial activities of different subjects in the conditions of free enterprise are provided basically in the form of the contract. The definition of the contract is provided in the Civil Code specifically in the article 659 according to which "the contract is a legal act based on which one or two parties build, change or end a legal relation". The contract has two functions which are clearly recognizable among them. The contract is one way of gaining property and other real prerogatives. "The contract is also one of the sources of duties, therefore an instrument by means of which is acquired the right on the obligations of the others", (Dollani, " A series of lectures about the Comparative Civil Right", UET, 2010). In the Civil Code the contract of sale is regulated in the Heading II, the First Chapter, specifically in the Article 705 in which it is ratified that: "The Contract of Sale has as its main objective the passing of ownership over an object or the passing of a prerogative after the payment of a particular fee". The contract of sale is two-sided and rewarded. It is a consensual contract which means it is valid from the moment when the parties reach an agreement. In some cases the law requires the contract of sale to be formal and to be registered.

3. The Elements of the Contract of Sale

The contract or the legal action has its own elements which are those essential features that make its existence and validity necessary. The absence of one of them renders the contract or legal act invalid. The element in an obligatory legal term are: the subjects, the object, the content, which are the same even for the contract of sale.

The subjects of the contract of sale are the parties of the contract of sale. Typical examples are individuals, legal persons who can be native or foreigners, as well as the state (Semini,2006, p22). The parties in this contract are known as the seller and the buyer. The primary condition for the subjects that take part in the contract of sale is that they should have the ability to perform. According to the Article 6 of the Civil Code "An individual at the age of eighteen has complete ability to perform and can therefore have the opportunity to gain rights and take responsibility over civil duties. Article 709 of the Civil Code defines subjects that are excluded from the opportunity to buy directly, by the help of another person or
in an auction, the properties of those who manage or protect by law, of a contract or appointment from state institutions. Here we take into consideration the caretakers, depositors, legal representatives etc, who are in charge of administering or protecting the properties. Similarly are excluded the persons who are officially in charge of selling by obligatory execution, only for the category of those objects that they sell, a category that includes the judicial bailiffs, the customers employees, the financial police, the forest rangers, the auctions' organisers, the financial employees that take part in the commissions of the evaluations of the objects that are definitely to be sold etc.

The judges, prosecutors, bailiffs, notaries and lawyers cannot be buyers for the objects that are under their judgement in the court of law where they take part or exercise their duties. In the last paragraph of the article 709 of the Civil Code it is provided an exclusion. The judges, prosecutors, notaries can be presented as buyers only in those cases in which they are co-proprietors over something that is object of judgement in the Court of Law where they work.

As far as the contract of sale is concerned, its object can be everything that takes part in the civil circulation and that can be alienated without any legal restrictions, being it personal property or real property. Objective for the contract of sale can also be the objects with limited circulation, but as always by the permission of competent state institutions or based on legal procedures that are previously defined. For instance, the lands for building within the yellow lines of the cities, the agricultural lands, energetic and water sources, social and cultural objects etc, as well as the rights related to them. (Seminì,2006, p22). It is provided by law for the first time in the Civil Code in the article 705 that object for the contract of sale can be not only things but rights as well. "The contract of sale has as its object the passing of the ownership of an object or the passing of a right towards the payment of a fee." Regarding the rights, the Civil Code does not specifically mention what kind of rights can be object of the contract of sale. However, based on practice and on the previous civil code (The Civil Code of the year 1929, articles 1470-1474), among the rights that can be object of sale can be mentioned: the right of inheritance, the right of use, invention, the right of using an object, the right of taking benefits from its profits, a right that is under the process of judgement but that has not been given the final verdict etc. Object of the contract of sale can also be a possession or a future right, that doesn't exist or that is not materialised at the moment of the signing of the contract, but it is foreseen by the parties concerned to be created in the future. According to the article 706 of the civil Code, the gaining of the ownership is done as soon as the possession or the right to be sold is established and starts to exist physically.

4. The Rights and the Obligations of the Contract of Sale

The sale is a two-sided contract and as such provides obligations for both parties. The whole sequence of rights and obligations of the seller and buyer make the content of the contract of sale (Seminì, 2006, p. 10-12). Undoubtedly, the most important legal consequence of the contract of sale is the passing of ownership from seller to buyer. In order to accomplish this duty the seller has to be the owner of the object. The specification of the moment of passing the right of ownership in the contract of sale is particularly important. This importance has to do with the fact that from the moment of passing the right of ownership, the seller seizes to be the proprietor of the possession and at that precise time the buyer takes that position. A considerable number of legal consequences derive from this. Therefore, from that very moment the buyer can take his possession from any source. In addition, the risk of damage or that of being lost accidentally it's the seller's responsibility. Another duty of the seller is to deliver the possession to the buyer. According to article 711 of the Civil Code, the seller has to hand in the possession in exactly the same condition they were at the moment in which the contract was signed. The seller has the duty to hand in all the accessories as well as the profits accumulated from the possession since the moment when the contract was signed until the moment of its delivery. Moreover, the seller has to hand in all the documents that prove the right of ownership to the buyer so that he will have full competence over them. Another obligation that the seller has according to article 719 of the Civil Code is that he/she must guarantee the buyer about the non-existence of a third party that can claim the possession. This obligation is also called a guarantee for eviction (Seminì, 2006, p. 40). Not only is the seller obliged to hand in the possessions that are object of the contract to the seller so that he can use them as he wishes, but also to guarantee from the very beginning that the possessions are of good quality and without any kind of flows. The quality of the sold possessions must fulfill the conditions in the contract even in those cases in which the conditions are not stated it must comply with the common conditions of their use (article 715/2).

As far as the obligations of the buyer in the contract of sale are concerned, it is the buyer that has the duty to pay the price for the sale which is an obligation that derives from the nature of the contract of sale. (Articles 730-739 of the Civil Code). In the contract it is usually defined not only the price but also the time and the way of payment. The price should be payed based on the conditions defined in the contract. When the time of the delivery of the price is not specified in the contract then it will be assumed that the money should be payed at the same time the possession is
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5. The Annulment of the Contract of Sale

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the nullifying of the contract it is important the presence of some necessary conditions, the lack of which brings the

nullifying of the contract. Therefore, the article 663 of the Civil Code, defines that the essential conditions for the

existence of the contract are: the consent of the party that takes the responsibility of the duties, the legal case upon which

the duty is based, the object that makes the content of the contract and its right form required by law. The contract is

considered absolutely invalid when one of the essential conditions mentioned above is missing.

As far as the contract of sale is concerned, in its annulment contribute the same rules as in other kinds of

contracts. The annulment of the contract of sale is done as a result of not meeting of the criterias of the two classical

forms which are, the annulment of the contract by legal means and its annulment by not using the legal means. The

annulment by the use of legal means, the party that is not responsible for not accomplishing the duties can ask the

buyer to pay the price and to award damages to the seller. Actually, if the buyer is late to take delivery of the possession, the possession is lost or accidentally damaged, then the buyer has civil responsibility to award damages and to pay the price if this one is not paid in anticipation. In case it is specified in the agreement between the parties that the buyer must define the shape, size and characteristics of the possession but this one does not do that at the right time or within a reasonable limit of time after taking the order by the seller, then this right is passed to the seller who does the specification mentioned above on its own. After doing this the seller must notify the buyer and give him/her a reasonable deadline to decide if he/she agrees with the specifications done by the seller (Article 753 of the Civil Code). When the buyer has no complain after receiving the notification and the deadline decided by the seller is terminated, then the description made by the seller would be considered obligatory for the buyer. This means that from that moment the buyer has the responsibility to take delivery of the possession without having the right to drive back the possession by using the excuse of not specifying the conditions of the possession. As far as the rights and duties between the parties are concerned, it is the Judicial Court of Law in Tirana that has stated its position in the decision No.3917 date 13.05.2001.

"The contracts define the rights and obligations among the parties concerned. Based on the content of the contract the plaintiff is obliged to meet the conditions specified in the contract, meanwhile the accused has the duty to make the monthly payment based on the deadlines stated in the contracts. "The user has these rights and obligations: to make the monthly payment according to the prices and fees in power...In those cases in which the deadline is not respected the default interest would be exercised. When the duty has not been payed even after the termination of the deadline, the plaintiff has the right to address his case to the court of law in order to solve its case."

In the article 698 of the Civil Code it is stated that: "In contracts with mutual duties, when one of the parties does not meet its own duties, the other contractual party can ask for the fulfillment of the conditions of the contract or the end of this one despite awarding damages". Under these conditions, the court of law decides if the claim of the plaintiff towards the accused party about the obligation to meet their duties is fair and should or not accepted.

This decision taken by the Judicial Court of Law in Tirana makes evident one more time that the parties in the contract must obey to their rights and duties that derive from the signing of this contract. One-sided disobedience or disrespect from one of the parties can result in the annulment of the contract as well as a request to award damages under the court of law.
accomplishment of it by using legal means or the annulment of the contract. In both cases the party has the right to require the award damaging (Article 698 of the Civil Code). It is specified in the Civil Code when the parties taking part in the contract of sale (the seller and buyer) have the right to annull it (Article 724-737). The same attitude is seen even in the Colleges of the High Courts of Law in the decision No.10, date 24.3.2004.

"In a wider view, if in the contract of sale signed between the parties is defined that, under particular conditions, one of the parties will have the right to annul the contract one-sidedly (as it is specified in article 13.3 of the contract), the court of law that analyses the conflict has no right to order the signing of the contract in anticipation. The order to sign the contract for a second time is possible only by the verdict of the court of law to solve the case in essence."

6. The Consequences of the Annulment of the Contract

As a rule, the main consequence that derive from the annulment of the contract of sale is the returning of the parties in the initial position that was before the contract of sale was made. Actually, the seller has to take back the price as well as all the payment or expenses paid by the buyer while this one has to return the possession. Based on the responsibility of not meeting the demands, the parties can profit even the award of damages. In the Article 741 of the Civil Code are stated the cases when the contract of sale can be annulled, which apply to both the seller and buyer. In the contracts of sale when the possession is partly delivered, in case of not meeting the duties concerning the delivery by one party, then this is considered an important issue which will allow the other party to demand the annulment of the contract but only for that delivery. In the same contracts, when the act of not meeting the demands of a delivery causes the other party the conviction that the action would be repeated even in the future deliveries, then the damaged party has the right to demand the annulment of the contract for the future deliveries, something which must be made within a reasonable deadline. In the situation above in which the annulment of the contract is demanded by the buyer for one delivery, this one has the right of annulment of the previous or future deliveries if the result of this interdependence is not the achievement of the aim decided by the parties involved in the contract. In case of the annulment of the contract, the seller is obliged to return the money paid for the price, expenses and legally made fees to the buyer, whereas in case of the annulment of the contract by the buyer, this one must return the possession to the seller if it has not been lost or destroyed as a result of its flaws or characteristics (The Article 742 of the Civil Code). If from the moment of the signing of the contract until the moment of its annulment the value of the possession has decreased, then the seller is obliged to return the complete price to the buyer. If this decrease is a result of the misuse of the possession by the buyer and not as a result of the normal consumption, then the seller has the right to demand a reduction to the price that was previously stated in the contract that is related to the benefits if the buyer, according to the article 744 of the Civil Code.

7. The Interpretation of the Contract of Sale according to the Albanian Legislation

After the agreement is reached and the contract is signed, both parties have the obligation to meet the duties that derive from it. However, it often happens that one of the parties does not meet its duties by causing disagreements as a result. These disagreements can be solved by the courts of law, arbitration, negotiations or by involving a mediator. In this case, the need arises to interpret the text of the contract if the parties do not agree about the content of a particular part in it. It is also possible that the price is not clearly specified in the contract, but is just made clear that the price paid must be in conformity with the "price of the market". The parties can disagree about what the price of market implies. Is this the price of market when the contract was signed or when the disagreement is caused? Is this the price of market in the country of the seller or in that of the buyer? Such cases of disagreements indispensably require the interpretation of the contract. In the case of the interpretation of the contract, the court of law (or another institution that makes the interpretation), always takes into consideration some general principles, such as the principle of honesty, reasonability, and good faith (Article 682 of the Civil Code). In case of suspicion, the contract or its conditions are interpreted in the way in which some effect may result and not in the way that would have no effect whatsoever over the parties involved (Article 683 of the Civil Code).

Another rule followed by the court of law during the interpretation of the contract is the one in which the interpretation is not in favour of the party that has compiled the contract (Seminis, Tirana, 2006, p.65). In the contracts compiled by hand, it often happens that one of the parties compiles particular parts of the contract. In such cases, the interpretation is made against the party that has compiled the unclear part. The parties can predict that in case of disagreements about the meaning of the contractual dispositions, then a third party must interpret them. In case when one of the contractual parties is a trade company, it will not be exercised the meaning based on the country where the
contract is signed but that of the country where the company has the headquarters (Article 684 of the Civil Code). In the standard contracts compiled by one of the parties, the conditions that are in favour of the party that has prepared the contract but against the other party are not going to have any kind of effect, despite the cases when this is stated clearly in the contract (Article 684 of the Civil Code).

8. The Characteristics of the Contract of Sale

The Albanian Civil Code has stated a number of novelties and changes about the contract of sale in the articles 705-756, that make known its characteristics. The contract of sale is a legal action made towards payment. On the contrary, when the parties sign a contract of sale without having the real intention of paying the price specified in the contract than we would be dealing with a worthless legal action (fictitious or simulated), (Article 684 of the Civil Code). The contract of sale is a contract decided by consensus (Maho, 2009, p 35- 36), which is considered signed in the moment in which the parties agree without following any kind of form. This is the general rule because when the object of this contract are real estates, despite being decided by consensus it also becomes formal. The contract of sale is a two-sided contract because the rights and the obligations of this contract are reciprocal (Maho, 2009, p 35- 36). This means that in front of the right of one party stands the obligation of the other party. Therefore, in front of the right of the buyer to take delivery and become the owner of the possession stands the duty of the seller to deliver the possession. As far as the form of the contract of sale is concerned, it can be said that it is formal. When the object of the contract of sale is real estate the contract of sale takes formal features (Maho, 2009, p 35- 36). This means that the reciprocal agreement must be made by a notarial act whereas the registration in the Office of the Registration of Real Estates is not a cause for annulment any more. (The Unifying decision of the Joined Colleges of the High Court of Justice, No. 1 date 06.01.2009). Another characteristic of the contract of sale is also its real form in case of possession sold in types or series. Despite the compilation and the signing of the contract, as well as the agreement reached between the parties, for these possessions there is no legal consequence until the possession that is object of the contract is not delivered yet (Semini,2006, p. 107).

9. Conclusions and Recommendations

The contract of sale is one of the most common contracts in the civil circulation, by which most of the civil, legal acts are made. The Civil Code has put some rigid conditions about the specified commercial transactions and for the specification of the rights and obligations between the parties in an unchangeable way. Although in some cases this practise can be appropriate, special attention must be paid to the legislation which imposes restrictive conditions in personal interactions. In general, the commercial actors wish to be free to decide on their own about the degree of risk they are ready to undertake. By preparing the conditions of commercial transactions in advance, the incentive to find creative ways to make agreements between parties can be discouraged in a considerable amount for the business world.

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Concept and Measurement Index System Construction of Manufacturing Industry Upgrade

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Abstract

Industry transformation and update is the necessary way to new industrialization. Although industry update idea is concerned, there is lack of deep research on the idea and measurement evaluation methods. In this paper, starting from exploration of manufacturing industry upgrade idea and connotation, it is proposed that manufacturing industry upgrade is the updating process of manufacturing industry toward high value-added structures and links. On that basis manufacturing industry upgrade measurement index system is constructed from two dimensions, i.e. manufacturing industry structure goodness and value chain height, in order to provide reference for quantitative evaluation and measurement of industry development.

Keywords: manufacturing industry, upgrade, measurement, index

1. Introduction

Manufacturing industry is the leading part to boost the national economy. Chinese manufacturing industry took only 1% or less of the global market in late 1970s but the percentage has been increased to 19.8% in 2010, which means China’s manufacturing industry reaches a new level.

Despite the rapid development, Chinese manufacturing industry faces many serious problems today. Compared with the developed countries, whose major attention are on researching, marketing and producing of core components, Chinese manufacturing mainly focuses on lower-valued process such as fabricating and assembling simple components, relying its profit totally on low-cost labor force. With increase of labor and raw material cost and decrease of the export tax preferential, the profit of Chinese manufacturing industry is now even lower than the average level of the society. We need to pursue the transformation and update of manufacturing industry because our goal is modern industrialization.

Although researchers around the world are always concerned about the optimization and upgrade of industry structure, the definition of industry upgrade is still ambiguous, and short of authorized evaluation index system. To promote the transformation and upgrade of manufacturing industry, it is necessary to analyze the concepts, connotation and evaluation method of manufacturing industry upgrade. It is an inevitable step to upgrade Chinese manufacturing industry if we intend a great industry system not only in quantity but also in quality. In this paper, the evaluation system of manufacturing industry upgrade is taken as the primary research object; the concept and connotation of manufacturing industry upgrade are emphatically stated. And the evaluation index system of manufacturing industry upgrade is constructed from two dimensions, i.e. manufacturing industry structure goodness and value chain height.

2. The concepts and connotation of manufacturing industry upgrade

2.1 Concepts of manufacturing industry upgrade

There have been a lot of researches on structure adjustment and upgrade of industry. Before the end of 1990, dualistic structure transformation theory, unbalanced growth theory, leading department theory and bi-benchmark theory represented primary theories given by the scholars for industry structure adjustment. By the end of 1990s, many scholars started to investigate the industry upgrade from the perspective of global value chain analysis framework. Gerriff (1999) et al stated that industry upgrade could be regarded as a hopping process of enterprise of this country (or region) on one value chain or among different value chains in order to obtain value increase other than transformation of industry structures. Humphrey and Schmitz (2002) proposed four upgrade models from the aspect of value chain: workflow, product, function and value chain update. Kaplinsky furthered the upgrade models proposed by J. Humphrey et al, by
pointing out that the upgrade among different value chains is equivalent to that among distinct industries, i.e. the adjustment of industry structure. Poon (2004) assumed that industry upgrade was a transfer process conducted by manufacturers from producing labor-intensive and low-valued products to technology-intensive and higher-valued products. From argument above we could see that scholars around the world share similar opinions on understanding ‘industry upgrade’, which is industry evolution on value chains from low technological and valued level to high level.

Since the Reform and Opening up, industry structure gradually became a hot topic among economists. Chongbo Wu claimed that industry upgrade was evolution of industry structure. He considered it as the adjustment of industry structure. Ru Zhe (2006), Xueqing Jing (2008), Ping Li (2010) also thought industry upgrade was equivalent to the upgrade of industry structure. In recent years, researchers in China studied the industry upgrade through value chains. Yaohui Zhang proposed that the true meaning of industry upgrade was the process in which high-valued industry replaced the low-valued one and industrial innovation was the main content of industry upgrade. Bin Tang (2005) stated that manufacturing industry structure changed from labor-intensive mode to capital-intensive model, then to technology-intensive mode, which means it transferred from low-valued industry to a high-valued one. From the aspect of global value chains, Xia Gong (2011) analyzed the reason why the process of upgrade in labor-intensive manufacturing industry was so slow.

From the argument above, we could see that we do not have a unified understanding of industry upgrade. The concept of industry upgrade is not yet uniform. Since the most common form of labor division today is based on global value chains, it is especially important that we clarify the concept and connotation of industry upgrade. Besides, although existing statements have partially characterized some basic features of future industry, such as technology-intensive and high-valued, they failed to elucidate goals and directions of industry upgrade. The measurement of industry is surely a tough problem we are desperate to solve. Qi Liang et al simply define industry upgrade as a transfer from labor-intensive mode to capital-intensive mode. They tried to use this concept to measure the industry upgrade of Yangtze River Delta but were criticized as over simplified. This is resulted from the fact that our concepts are short of description of measurable characters of industry upgrade and could hardly satisfy the measurement of industry upgrade.

In this paper we will introduce ideas in econometrics and propose the concept of manufacturing industry upgrade. Industry upgrade is a process in which manufacturing industry transforms to a high-valued level or high-valued process. It has two dimensions. One is the goodness of structure. The larger the percentage of high-valued manufacturing industry, the better the structure goodness is. The other is the level of value chains. The larger the percentage of high-valued processes the higher the level of value chains is. The destination of manufacturing industry upgrade is to transform to a high-valued level and high-valued process, and improve value and profit of manufacturing industry.

2.2 The connotation of manufacturing industry upgrade

2.2.1 Optimization of manufacturing industry structure

The optimization of manufacturing industry structure is a process that economic body transfers from low-valued position to high-valued position on value chain. This transformation of industry structure from low level to high level not only presents in the structure transform through three industries but also in the change of inner structure of manufacturing industry, as shown in Fig.1.

Fig.1. Illustration of industry structure optimization

The basic development trend of manufacturing industry is that the development of labor-intensive manufacturing industry requires better condition of heavy industry thus it promotes the development of by-products and capital industry. The
increase of market’s need pushes transformation of manufacturing structure to capital-intensive and technology-intensive industry.

Manufacturing structure is changing from labor-intensive mode to capital-intensive and technology-intensive mode, which could result in the improvement of profit in manufacturing industry. It follows from the cases around the world that technology-intensive mode is still the goal of industry upgrade.

2.2.2 Value chain height increase of manufacturing industry

Value chain is made up of many value rings. The value distribution of each ring is a ‘smiling curve’, as shown in Fig.2. The value of the bottom point, which represents the assembling process, is the lowest while the two upper points, one represents researching and designing processes and the other represents marketing, have the highest values.

![Fig.2. Simplified value chain curve](image)

Labor division mode of global value chain makes the competitive advantage of manufacturing industry to reflect not only in a product or a particular industry, but also in the labor division link of industry value chain. It will bring higher industrial added value if it is in the high-end or strategic link, inversely, it will bring lower industrial added value and return if it is in the end or common link.

Manufacturing industry in our country has turned into "international manufacturing workshop" by the advantage of low-cost factor of production, it is engaged in assembly and production links which make less profit, and has formed a certain comparative advantage in low added value link of manufacturing industry chain. With the rise of other regions which have the lower cost of production factors, it is difficult to keep the advantages of manufacturing industry in our country from processing manufacture link.

The manufacturing enterprises and multinational corporations who possess the brand and the core technology in developed countries take up the R&D link and the marketing link which is in the high-end of the industry value chain, and earn 90%~95% of the profit. The ARM ability of manufacturing industry in our country is very weak, the level of research and application in the critical manufacturing technology is low, most products of the companies do not possess own-brand, are OEM, the enterprise always can only get thin profit in the end of the industry value chain.

The competitive advantage of the enterprises which is at the bottom of value chain is easier to disappear. Manufacturing industry in our country must transfer from low added-value production processes of industry value chain to high added-value technical and marketing links, and achieve a rise of value chain height, sequentially improve the profitability competitive capacity of manufacturing industry in our country.

3. The construction of measurement index system of manufacturing upgrade

This paper constructs manufacturing upgrade measurement index system from two dimensions, i.e. manufacturing industry structure goodness and value chain height.

3.1 Manufacturing industry structure goodness model

The fundamental laws of manufacturing industry evolution are transition from labor-intensive manufacturing industry to higher value-added and capital-intensive and technology-intensive industry. From looking at the actual situation of the
development of the manufacturing industry at home and abroad, technology-intensive industry is the update direction of manufacturing industry structure in China.

Suppose three typical manufacturing industry structures are: labor-intensive \( a_L (1,0,0) \), capital-intensive \( a_C (0,1,0) \) and technology-intensive \( a_I (0,0,1) \). The bigger the difference between actual manufacturing industry structure and the typical one is, the lower the nearness of them is. Consequently, the nearness between actual manufacturing industry structure and the typical one is constructed based on Euclidean distance, namely

\[
r = 1 - \sqrt{\frac{(a(L) - a_L (1,0,0))^2 + (a(C) - a_C (0,1,0))^2 + (a(I) - a_I (0,0,1))^2}{\sqrt{2}}}
\]

(1)

Where \((a(L), a(C), a(I))\) expresses actual manufacturing industry structure, and \((a_L, a_C, a_I)\) is typical manufacturing industry structure. \(a_L\) stands for the proportion of labor-intensive industry, and its value equals to the total output value of labor-intensive industry divided by total output value of manufacturing industry. \(a_C\) expresses the proportion of capital-intensive industry, and can be obtained through total output value of capital-intensive industry divided by total output value of manufacturing industry. \(a_I\) expresses the proportion of technology-intensive industry, and its value equals to total output value of technology-intensive industry divided by total output value of manufacturing industry. Then we have \(0 \leq a(L), a(C), a(I) \leq 1\) and \(a(L) + a(C) + a(I) = 1\).

Structure goodness is used to reflect the development and evolution levels of manufacturing industry structure. The manufacturing industry structure goodness model is built as following.

\[
E = \beta_1 r_L + \beta_2 r_C + \beta_3 r_I
\]

(2)

where \(r_L\) expresses the nearness between actual manufacturing structure and labor-intensive structure, \(r_C\) expresses the nearness between actual manufacturing structure and capital-intensive structure, \(r_I\) expresses the nearness between actual manufacturing structure and technology-intensive structure, \(\beta_1, \beta_2, \beta_3\) are coefficients of goodness, and \(\beta_1 < \beta_2 < \beta_3\). The closer the actual manufacturing structure to technology-intensive structure is, the more excellent its structure is. The closer the actual manufacturing structure to labor-intensive structure is, the poorer its structure is.

### 3.2 Manufacturing industry value chain height composite index

The value distribution rule of global value chain indicates that R&D and marketing are at the high end of the value chain. What the manufacturing industry value chain height incarnates is whether the manufacturing industry has seized hold of R&D links and marketing links or not, which are at the high end of the value chain. In fact manufacturing industry value chain height refers to innovation ability and marketing ability of industry.

Consequently, manufacturing industry value chain height is evaluated from two dimensions, i.e. innovation ability and marketing ability, as presented in this paper. Based on the availability of data, we choose four indexes, i.e. intensity of R&D involvement, number of patent applied, number of patent granted, and proportion of new product sales to characterize the upstream links of the value chain, which represent the R&D ability of manufacturing industry; three indexes, i.e. number of well-known trademarks, total of validly registered trademarks, and total quantity of famous trademarks, are chosen to characterize the downstream links of the value chain, which represent the marketing ability of manufacturing industry. The greater the proportion of the manufacturing industry in the upstream links of the value chain is, the higher the manufacturing industry value chain height is.

The above seven indexes are non-dimensionalized, and the effect of different dimensions is eliminated by utility method and according to the formula

\[
V_{ij} = \frac{X_{ij} - \text{Min}(X_{ij})}{\text{Max}(X_{ij}) - \text{Min}(X_{ij})}
\]

The area division of utility value is selected as [0,100]. In the equation \(X_{ij}\) expresses the \(i\)-th index of \(j\)-th year (\(i\) is the original values of intensity of R&D involvement, number of patent applied, number of patent granted, proportion of new product sales, number of well-known trademarks, total of validly registered trademarks, and total quantity of famous trademarks of unit output value respectively).
Max($X_{ij}$) expresses the maximum value of the $i$-th index of $j$-th year, and Min($X_{ij}$) expresses the minimum value of the $i$-th index of $j$-th year. On that basis, manufacturing industry value chain height composite index is built, i.e.

$$H_j = \sum_{i=1}^{7} w_i V_{ij}$$  

(3)

Where $V_{ij}$ is the seven value chain height index of manufacturing industry with nondimensionalization, and $w_i$ is the $i$-th index weight.

3.3 Manufacturing industry upgrade index

According to the definition of manufacturing industry upgrade in this paper, it is constructed from two dimensions, i.e. structure goodness and value chain height. We denote manufacturing industry upgrade as $MA$, and construct manufacturing upgrade index as follows.

$$MA_j = w_E E_j + w_H H_j$$  

(4)

Where $E_j$ is manufacturing industry structure goodness, and $w_E$ is its weight; and $H_j$ is manufacturing industry value chain height, $w_H$ is its weight. In addition, $0 < MA_j < 1$.

3.4 Index weight determination and measure methods

Index weight represents the relative importance of every index in the evaluation index system. The reasonable determination of index weight is the key to ensure scientificity of evaluation methods. The common methods for weight determination include expert advisory method (Delphi), principal component analysis method, analytic hierarchy process method (AHP) and so on, in which expert advisory method and AHP method are influenced by human factors, thus the subjectivity is strong. In this paper we should adopt the method of combining subjectivity and objectivity to determine index weight. For example, we can determine index weight by combining AHP method which reflects subjective preference of deciders to some extent and principal component analysis method as well as factor analysis method etc. according to objective data, and therefore its result should be more reasonable than using one of these methods separately.

After a reasonable determination of index weights, we should make the monomial index weighted first, and use the linear weight sum method to compose the composite score value of manufacturing upgrade index as shown in formula (4) above. On this basis, we can make use of the result of measurement, and further adopt cluster analysis method and radar map method to evaluate manufacturing upgrade indexes of multiple areas (or economies) separately.

4. Conclusions

In this paper the definition of manufacturing industry upgrade is proposed on the basis of existing research results. The quantitative expression of manufacturing industry upgrade is implemented by the concept and connotation of 'manufacturing industry upgrade', which is helpful to the quantitative research on development of manufacturing industry and to broaden the evaluating method of manufacturing industry. Based on the concept of manufacturing upgrade an evaluation system and the corresponding measurement index on goodness of manufacturing structure and level of value chains are built to supply reference to future research.

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Memories, Lives, Lost Psycho-Sociologies from the Past and Human Behavior of Albanians in the Epoch of Capital

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Abstract

The paper will present parts of “forgetful” social and psychological experiences between two periods: the socialist and the post-socialist one, to indicate likeness, dilemmas about missed values and necessities in special groups of population in Albania. It’ll be a qualitative study, based on semi-structured interviews and specific cases that include real and special experiences, official documents, cinematography, etc. The period after 1990 based totally on the different civil background, has brought other concepts for democracy, solidarity, public participation and surely oneself and others confines concepts. The two world generations human behaviors dilemma, is the strongest barrier for Albanian culture values. The results will tell us if there is attention and appreciation about the past among the Albanians, how they understand it now, in big vigor of localization, globalization epoch and the desire to enter in Europe.

Keywords: solidarity, tradition, “new man”, owner, collective behavior.

1. Introduction

Study based on qualitative analysis, is an attempt to show the physiognomy of nowadays perceptions about post-communist Albanian society. Bringing out the values or strong points of the past regime, may affect the actual social policies as a credible base of welfare state, or may influence the revaluation of the social capital concept and practice, both important to achieve the European integration. The paper tents to describe the situation about the question chosen. Besides literature, observation, semi-structured interviews, special attention is paid to the reporting of story-telling by people of different generations and professions, in order to understand their lifestyle, their perception of culture, place and space, the perception of the themselves and the others under socialist regime and after it. Issues are seen in the light of social work, a profession that affects the awareness of the community about its values and processes of its growth, to better orient the opportunities according the development policies in the area through lobbying.

The post-1989 era was labeled “the end of history” (Fukuyama, 1992). While Lucio Magri, a leading member of the Italian Rifondazione Comunista, suggested:

“When the Berlin Wall came down the judgment of many people was one of euphoria. They saw the coming of a anew historical period marked by word cooperation, democratic advance which would provide a clear opportunity for democratic socialism with a human face. Now we can see that the reality is different and much harsher (1991, p.5).

However, societies are at the same time being plunged into socially responsible the depths of their own histories. People should be guided in their evolution towards becoming citizens. Memories of socialism illicit anger and shame provoke laughter and derision; they activate feelings of rupture, trauma and loss, and conjure up images of injustice and victimhood. At the same time, more positively, they give those who remember a sense of victory, triumph, closure. As kind of social knowledge, those memories are not seeing only as strategies of “enrichment,” but also as a resource for constructing cognitive frameworks where to anchor oneself existentially at a profoundly disorienting moment of transformation. In other words, we need to document and understand better not only what but also how people reminisce.

The political arena in Albania has evolved substantially over the last decade. During the early stages of the transition, politicians were divided into self-declared “anti-communists” and those accused of being the “heirs of communism.” This extreme ideological polarization, which rather superficially equated democracy with anti-communism, also had an impact on relations between the political parties and created a climate of extreme conflict in the country which, in turn, gave rise to tension and social destabilization. Over the last few years, politics have developed new allegiances, held back by ideology during the communist period, have begun to resurface, exerting their influence both over political and government organization and over the country’s economic and social development. The desire and willingness of people to respect the law is the one sphere in which Albanian society in transition has made the least progress. Yet, efforts to interest Albanian civil society in respecting the law by encouraging the willingness and social conscience of people to change their attitudes have proven largely unsuccessful.

The opening of Albanian society had made the life style and preferences of urban society (especially in Tirana) more uniform and European but, at the same time, the other part of society, rural society in particular, has returned to its traditional way of life: characterized by patriarchal families, the Kanun and blood-feuding, etc. Demographic developments together with major internal (rural to urban) migration, rural depopulation and social fragmentation, the effects of unchecked urbanization, increasing lack of social cohesion, all with long-term repercussions for the emancipation and civilization of society, have had troublesome effects both in the cities and in the countryside. Regional allegiances, held back by ideology during the communist period, have begun to resurface, exerting their influence both over political and government organization and over the country’s economic and social development. The desire and willingness of people to respect the law is the one sphere in which Albanian society in transition has made the least progress. Yet, efforts to interest Albanian civil society in respecting the law by encouraging the willingness and social conscience of people to change their attitudes have proven largely unsuccessful.

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Let's start with a methodological point. The first, due to the classical logic of the comparative approach, is to seek

3. **Socialist register**

Let's start with a methodological point. The first, due to the classical logic of the comparative approach, is to seek

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uniformities and similarities in the sea of diversities and differences and then to account for the reasons why such uniformities emerge. The second, opposite in intention, unravels specificity and uniqueness in the sea of seeming homogeneity and then explains why such diversity emerges and persists (Sztompka, 1990). According to Cyril E. Black of Princeton University in his preface to Stavro Skëndi’s book Balkan Studies (1987), “Albania encompasses within its mountainous frontiers the characteristic Balkan problems—but in an extreme form.” In Albanian studies you can find almost nothing pure sociological according these standards and theoretical practices. Most of the effort in studies of transformation has so far been concentrated on gathering data, particularly by means of survey research, opinion polls, etc. In effect, the diagnosis of the process is very rich. But theoretical reflection has been much more limited. Paradoxically, if it exists at all, it came mostly from outsiders. Under socialism sociology should come close to history and economics as well Marks theory predicted. Strangely this was not the case. In those countries where it was officially recognized, sociology was placed somewhere between the brand of philosophy known as Marxism-Leninism or scientific communism, some forms of political reflection, and fact-oriented demographic statistics. Now the whole perspective on social change was revised: the belief in necessary was replaced by the image of “social becoming”. Political science, economics, cultural analysis joined hands with sociology and a number of studies crossed the traditional disciplinary borders in many countries of East Europe, but not so much in Albania. Another issue we faced was the impact of globalization on Albanians life. In social sciences ideas, concepts, models, and theories characteristically flowed mainly between Europe and America.

4. Findings

Respecting the dynamic use of the term, the components of the memory in a community although not always carefully assessed are: environment (how it has been transformed by man), home, social relations of everyday life, traditions and customs, rituals, spoken language, music and songs, objects used, typical products, the body and the world vision. Speaking for Albania, as a post-communist country marginalized by the policies of the socialist ideology, the objective is not the protection of the past memories, not repeated at all, but the activating of the capacity to detect it as the essence of the changes. This can be valid not only in the economic and social perspective, but also in that of symbolic, because despite the fact that the process of modernization can’t stop, it’s necessary to stop the degradation processes of economic, social and cultural development.

A great impact to write this paper I had when I read about the work made by an Albanian artist Anri Sala (1998) where the filmmaker finds a mute footage of his young mother, giving an official speech during a communist youth meeting in Albania. He hires an expert to read her lips in the video in order to understand what she was saying, but her once meaningful and enthusiastic declarations now appear only as empty ideological slogans. Thirty years later, the filmmaker’s mother is full of disbelief when she told that really articulated those words. By re-situating these words in past times, and by tracking contemporary forms of nostalgia, remembrance, amnesia and disbelief now, we can set free the changes in ways of speaking and of signifying, and thus the political and historical changes in gender regimes and in women’s lives.

We found that memories in post-socialism, does not seem to follow strict sequential chronologies. While some pasts are retrieved and imbued with memorial significance, others are largely disvalued and forgotten. Some reminiscences are more privileged than others; still others have little or no memorial status at all. As well as with young and professionals, I talked to several people in their sixties and seventies who claimed they had no desire to travel back to “that place of crime” as one of them referred to the dictatorship state. Memory is constantly on our minds not because there is so little of it left, but precisely because there is so much of it. They told me about the main newspaper “Zëri i Popullit” (“Voice of the people”), where was often declared that all the generations in Albania should live and grow in a socialist country, the dictatorship of the proletariat. Today we have the same newspaper, but we don’t find thing like that.”

Fiona, Social Worker, 38 years old, told me that nostalgia for the existence of specifics form of welfare state is one of the most mentioned by her clients, especially among third generation in some urban area in Albania. She was not wrong at all, because one elderly woman, for instance, confided in me that her personal memory of “the good life” in

socialism was the only thing that sustained her in day-to-day existence as an impoverished pensioner after socialism. "I have been teacher and everybody respected me. Now I live by those memories only, because the money I get are not enough even for medicines. I feel nobody. All services were free of charge."

Burboqe, near 50, with middle professional education at that time, for the moment out of job, declared: "Who said we didn't live well? Yes, not all the people, but I'm nostalgic of that time. Not only at school, but the friendship was pure and sincere. We were to pass the streets even in the midnight. We were all like brothers and sisters, working together and helping each other."

Alketa, near 45, electronic engineer pedagogue at university remembered the time of "zbori", the military training at school and university. "Wearing that clothes, I've had always need to sleep-she said. We were not aware about the enemy, but we loved this period, because we were more near to each other, boys and girls, it was a kind of informality that in my opinion, we wanted really to have. I remember also the "actions days" or "walking days", free of classes, where all have almost the same food: bread, butter (lucky to have), eggs and cheese... We had fruits only at seasons, also all other foods, but it is true that all these things were natural. I'm crazy today with the food. Look how much you are speaking about obesity..."

The socialist period is described as one in which women had good living standards, and could interact on an equal level with men. The feeling of nostalgia is also connected to the loss of a different gender regime, as Diana, near 67, doctor said: "the socialist law was very friendly to women. Officially, in everything there was equality with men. Today I can read in the newspaper: We don’t want women for this job, or women only; we want women who are thirty and nice. It was completely forbidden at the time, it would be a scandal if someone used this language (...) we were satisfied with law. But we were not satisfied with patriarchy (…) "

Olimbia, 63 years old, ex-director of the bank, said: “That time? Not anymore! I remember polyester clothing laundry olive-oil Rogozhina or Vlora soap, weak without a day to rest, because Sunday was reserved for action to clean the territory behind the house, or to work voluntary in agriculture. There is no car to do the job, and I walked for km to inspect the finances of the cooperatives in all villages of the region. Saturday afternoon was the cleaning day of the house, so can you imagine what my life has been at that time? (...)"

Fuat, 72 years, said “Yesterday we’ve a bad life, but we thought more positive for each other. Today, we live more better, but thinking more bad to each other."

Dimitri, 52 years old, theater director, said “… Volunteer work was the base of active life of the children. I remember the case of traffic controller by the pioneers, the guards of honor, commemorative celebrations occasions. The best pupils helped those weak to better learning. He also said that need to respect the past memories, monuments, works of art, which are parts of the Albanian history, such as “The pyramid” in the center of Tirana, specific objects just like bunkers, and so on, as real story of our parents and ours too, as well as basic cognition for the new generation. The tradition is always connected with national identity, so it’s strongly important and crucial for a country and its people. “

Karafili, near 57 years, ex-military remembered the dollar-shop in Vlora city, where some people that had relatives abroad Albania changed the money, or bought “Western things” (watches, tv-s, magnetos phones, radios, refrigerators, sun glasses etc). These people were different from the others in clothing and lifestyle. Now, we are freely owners, some with big problems on documents, but there is the possibility for all of us to be somebody in business too."

Terminology of the today’s Albanian reality brings changes in the perception for classes. It is not speaking for the “working class”, nobody use the terms as “bej, bejlere”, “aga, agallare”, “shok, shoqe”. These terms have been replaced with terms businessman, boss, sir, madam. Albanian cinematography is not producing films for children. Now, symbolic education, even coming from the past, is realized through films as “Beni walks alone”, “Rebellion in the palace”, "A general caught slave,"Our friend Tili", etc.. These are productions dominated by strong doses of artificial ideological as well as by overlaps of parental feelings where the first conceived parent was the Party of Labor of Albania. Highlighted in interviews was the case which turned than into humor because of its emptiness placed in the mouth of a child, in the film "In our house", produced in 1987. The mother said to her son who did a mistake living the school: "Miri, why do you do these things? To whom you look like? What are you? "The child replies:" I am yours. I belong to the state." And in another sequence when the teacher wanted to criticized him in the classroom (typically collective punishment) one girl from the class said: "...these behaviors serve only to bourgeois, to revisionist...” While the boy very irritated interrupted said: "I'm not a bourgeoisie, I'm not a revisionist. I'm Albanian," and leave the class away. It's worthy to notice the messages about the unity, regardless of age, which value and encourage the involvement of children in all sectors of society. Their education has the collective control responsibility. Alma, teacher in elementary school comment a film: "Taulant requires a sister" as-the tendency of perception start for birth control in family in contrary with ideology trends of the time for increasing population policies. Now in the base of the films are standing migration histories, criminality, traffics, familiar trauma and human behavior alienation.
5. Conclusions

In the 100 anniversary (2012) of Albanian Independence Day, the term “memory” was one of the more discussed especially in a historical background, although the analysis are connected with the people human behavior in general and the most prestigious personalities in special moments. Not always the people understand the term memory. They immediately tend to remember the past and then prejudice the future. The academics know better that Bulgaria was different from Czechoslovakia, Romania from Poland, Albania from Yugoslavia, and all were different from the imperial center, the Soviet Union. These differences have become even more salient and deeper after the collapse of communism and the dismantling of the Soviet empire. Eastern and Central Europe today presents a colorful mosaic of countries different in economic standards, political arrangements, cultural values, lifestyles, mentalities, etc. Why this is so? Keeping in mind that, for decades and in some cases for half a century, these countries were subjected to the powerful unifying mold of Soviet-type institutions, organizational arrangements, and indoctrinating pressure imposed by the imperial power, what are the causes of such diversity? And after the collapse of the empire, they have fallen under the new unifying forces: one broader, operating on a world scale and known as globalization, which entered forcefully through the open gates of “open societies”; and another narrower, operating on the regional scale and labeled European integration, which became the common aspiration and political intention of most post-communist countries. In spite of all these influences, they remain different and preserve unique identities. Why?

The economic changes, the change of mentalities for classes, relations with foreigners, the contradictions between the old and the young, produce internal tensions, but does not erase fundamental report with the community, the country, which develops its role of identification. To be well oriented it’s necessary a “sacrifice of imagination” that helps us pass the traditional theoretical and methodological directions. Traditional sociological categories evaluated not enough appropriate to explain the new social dynamics, such as behavior and attitudes of younger generations in a territory. So to make concepts worthy, must consistently return by the treatments of social and psychological dimensions of human behavior, which bring to us the identity issues in the certain areas. The key moment to success as my professor Liugi Zà says is: knowing how to transmit to the people the culture of development. It’s important to remember that one of the pillars of sustain development is the evaluation of feasible energy by activating the general awareness and promotion to interested population, as well as to the technicians.

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The Waves of Internal Migration in Russia

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Abstract
For the several centuries the population of the European part of Russia has been migrating to the Eastern and North-Eastern peripheral regions of the vast country. The comfortable areas were colonized as well as the deserted ones with severe climate conditions. The cossacks were the first who populated new lands. Some decades after it the peasants followed such strategy. Forced migration of Gulag prisoners and convicts played an important role in migrations during the Soviet period (although the resettlement of prisoners were in pre-revolutionary times too). In the 2nd half of 20-th century the internal migration in Russia experienced a dramatic change. Since then a massive escape from recently occupied lands has been observed. The fall of the Soviet Union has accelerated the return migrations. In the paper the basic patterns of internal migration in Russia are specified and analyzed on the data of Russian Censuses. Russian regions are also classified by their migration characteristics.

1. Introduction
The internal migrations in Russia had the wavy character: sometimes they shrank, and sometimes they overwhelmed more and more newly annexed territories. It had lasted for few centuries. However, lately migration waves had turned back.

The population of Russia was formed under the influence of migratory processes, somewhere very strong, and somewhere weak. The direction of migrations was also different – the arrival and the departure of the population. The information about the place of birth which one can find out from the population census informs about the lifetime migrations accomplished during the life. Moreover, as a rule, the census data demonstrates the high precision of the response on the question about the place of birth because it is clear to people. The drawback of this question is impossibility of defining of migrations number and exact date of moving, and also of returned migrants singling out.

The question about place of birth in Russian population censuses was posed in 1897, 1926, 1989, 2002 and 2010. The migratory questions were not posed at all in population censuses of 1937, 1939, 1959, non-informative questions about the duration and continuity of residence were asked in 1970 and 1979 (Moiseenko, 2004).

In total, the population censuses can be one of most important information sources about the population migration in the absence of the rich choice of other statistic sources of information about migratory movements of the population. The program of Russian censuses development for a number of reasons was planned in such a way that the only question “available” and remaining in few censuses was the question about the place of birth, necessary for the analysis of migrations.

2. Typology of regions
To characterize the process of population arrival to the region, more reasonable to use the share of native of other regions in the constant population of the arrival region. There was made a typology on the basis of singing out indices of migration intensity, including few groups of regions:

• Recipients and strong recipients, more attractive regions for migrants. For example, Moscow can be referred to strong recipients.
• Scrubbing regions where the share so far rived and departed have comparable value, these regions often form “the buffer” between regions-donators and regions-recipient.
• Donators and strong donators which are “suppliers” of lifetime migrants. The part of the regions not only give but also actively accept migrants but several times fewer.
• Regions with low indices of arrived and departed refer to regions that can be considered as isolators.
3. Population census of 1897: from the abolishment of the serfdom to the opening up of outskirts

In 1861 the important event took place in the history of Russian state – owing to the manifesto of the serfdom abolishment the major part of the country got freedom of movement for the first time for many centuries. The first All-Russian population census was carried out only after 36 years and it’s impossible to ascertain how the serfdom abolishment favored intensification of lifetime migrations.

End of XIX-beginning of XX centuries was characterized by rapid growth of economics and agriculture. Exactly by this time the population of Russian towns has increased. Saint-Petersburg which was the capital numbered 1.2 millions people, Moscow – 1 million. The largest cities became one of the most attractive places for the migration. So, there was 60.4% of lifetime migrants of total population in Saint-Petersburg. High percentage of migrants was noted in the largest cities of the empire, in Moscow, Warsaw, Odessa, Saratov, Kazan, Tula, Tomsk. The capital and the large cities attracted othodniki and those who moved there for the permanent dwelling.

After the reforms by Alexander II there was rapid population growth owing to the appearing of medicine and the introduction of elementary hygiene rules resulting in sharp reduction of death rate, especially infant mortality. The population growth in the conditions of appearing land deficit provoked necessity of either going off in search of a living or migrations. “Excesses” of rural population made their way to east provinces, to Siberia, Altai, Far East.

According to the data of 1897 population census, the major part of migrants was in Far East regions of the empire, especially located near the Pacific Ocean of Sakhalin and the Primorie Territory. These territories were annexed to Russia in XIX century and were the most colonized, and exiles and state convicts took active part in opening up of new possessions. In such Far East provinces as Amur Oblast and Primorie Territory there were more migrants than the half of the population. The share of migrants was lower in Siberia than on Far East.

Yakutia, Central Asia, Transcaucasia, Dagestan province were less attractive for Russian Empire. Dagestan province almost didn’t take part in migrational exchange with other territories. Black Earth Belt area, Volga region, Volga-Vyatka region with an overflow of population actively gave population to the other provinces.

Thus, population census of 1897 fixed the important moments of migration history of the country – beginning of colonization of outlying districts of the empire mainly by natives of European part of the country. At the same time these censuses show that part of regions wasn’t involved in migratory processes and Poland and Baltic regions developed rather independently from the rest of the country.

4. Population census of 1926 – from Stolipin’s reform to civil war

At the turn of XIX – XX centuries imperial government changed their politics on migration stimulation, which most actively proved itself during the realization of Stolipin’s reforms. Revolution and the following civil war, increasing urbanization by 1926 contributed to the strengthening of migration processes (Borodkin, Maksimov, 1993). External migrations which became more active during civil war in the form of emigration, almost completely stopped due to the total closing of the borders of young soviet state. The migration processes began to be carried out only in the external limits of the country (Politics of immigration, 2005).

Siberia replenished the population with migrants from Central Russia, Black Earth Belt area and Belorussia. Migrants from Siberia, Ukraine and Volga region moved to Far East, the stream from other regions of European Russia have decreased.

Urbanization became the most active process in the country; the percentage of migrants was higher 60% in large cities – in Moscow, Leningrad and in North Caucasian cities – Grozny and Vladikavkaz.

Census of 1926 was carrying out in the terms of devastation of postwar time. Besides the tendencies fixed in 1897 there were some new, appeared at the time of agrarian reform of imperial government since in the result of revolution, urbanization and rapid industrial development during the pre-revolutionary period and after civil war. At this period total migration activity of the population increased significantly almost 3 times.

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1 Othodniks - the temporary workers (mostly peasants) who come to work into other regions, as well as to Moscow and to St. Petersburg. A significant part of earnings they sent to the family. After they have accumulated enough money, they came back home.
2 Since the reign of the Empress Elizabeth of Russia the death penalty in Russian Empire was replaced for the eternal servitude. The death penalty is applied only in cases of the treason.
5. **Population census of 1989: the result of the soviet period migrations**

During pre-war period migration flows were directed to eastern regions of the country. Migration was connected with continuation of development of boundless spaces of Siberia and Far East, compulsory migrations (deportations, labor of prisoners, exile of wealthy peasants) contributed to this process. During the years of Great Patriotic War main migration flows were connected with evacuation and than with resettlement back (Politics of immigration, 2005).

From 1960-s migration flows changed their direction. During post-war period virgin lands campaign began with significant flows of migrants to Kazakhstan, south regions of Siberia, Far East and also to Volga region and Ural. The large flow of the specialists made its way to the industrialization of republics of Middle Asia and Transcaucasia: outflow of population from Transcaucasia and Siberia. In 1970-s due to the opening up of oil and gas fields migration flow to the Western Siberia regions and Russian North began to increase.

There was strong inflow of population to Moscow and Leningrad and also to the plain part of North Caucasus. The population was still arriving to the Far East. From the second part of 1980-s outflow from the North regions began and total migration activity also began to decrease, particularly due to the exhaustion of the migration potential of the rural settlement. The central and the south-western regions of the country accepted migrants (Rybakovsky, 1996).

6. **Population census of 2002 and 2010: from the collapse of the USSR to the market economics**

Introduction of market elements not long before collapse of the USSR and strong reduction of the quality of provision of northern cities and settlements, exhaustion of migration resource of the countryside resulted in decreasing of migration activity of the population. Domestic migration became external, armed conflicts in different parts of former Union caused flows of refugees and forced migrants going generally to Russia.

Together with opening of the external borders from far-abroad countries – China, Northern Korea, Vietnam. In the domestic migration the main flows were directed to the Center (especially to Moscow and the region) and South. Far East and many regions of Eastern Siberia began to lose population actively, more western territories of Siberia and Ural became to be characterized as scrubbing regime (Mkrtchyan, 2004).

After the collapse of Soviet Union and establishing of market economy in the country, there was increasing of regions number with migration outflow situated in Siberia as well in the Far East. At this time abrupt worsening of life quality took place in many regions with extreme environmental conditions which began to lose population. Such regions as Moscow, Saint-Petersburg and Western Siberia on the contrary continued to accept population from other region and former union republics.

7. **Evolution lifetime migrations directions in 1897-2010**

In 1897 few zones distinguished clearly, giving and accepting. So, it’s possible to single out cluster of regions of European part of Russia (see figure 1), which were the main source of lifetime migrants and Siberia and Far Eastern regions (except Yakutia and Transbaikalia), to which these flows were directing. The capitals and its regions are worth noticing – Saint-Petersburg and Moscow, which were always attractive to the migrants. Moreover, it’s worth adding about regions which are no longer part of Russia: Poland which made the migration exchange between its regions; Transcaucasia mainly not participating in migration processes, excepting some new territorial acquisitions of Russian Empire and also Middle Asia taking part in migrations sluggishly.
**Figure 1.** Typology of regions in 1897

*Source:* Common set of results of the first all-population census (1905).

By 2010 the situation have changed cardinally (see figure 2). Moscow and Saint-Petersburg with their capital regions were still the most attractive for migrants. Furthermore, in certain view there remained the main giving centre from regions of European part which rapidly reduced its potential due to the aging of the population. The main changes affected regions of Ural, Siberia and Far East. Thus, Western and Eastern Siberia which had the same initial conditions and severe climate are now in different situations relatively to the domestic migrations. Eastern Siberia is rapidly losing population while gas and oil-producing western Siberia is one of the few attractive regions for domestic migrants. Far East during few last centuries was rather attractive for migrants but from 1980-s it has been giving the population either to European part either to the south of Russia, or the movements are carried out inside Far East to the ‘north-south’ (for example, to Primorie territory). The process of movements from regions of Siberia and Far East to European part of Russia was named ‘Western drift’

**Figure 2.** Typology of regions in 2010

*Source:* The results of the population census of 2010 (2013).
From all migration factors the flow of migrants to the most economically developed regions is the most stable in duration and force of influence. Agricultural colonization with the time changed to migration flows directing to the industrial centers and also to the opening up of regions with large stock of minerals (and with higher salaries). However, during the period after USSR collapse many regions of the new generation began to lose population due to the great reduction of income level caused by system crisis and breaching of economic relations, except regions of Western Siberia which became big centers of migrants attraction.

8. Conclusion

Rapid development of the economics, transport, beginning of demographic transition and appearing of redundant amount of rural population in the end of XIX century strengthened process of agricultural development of the regions of Siberia and Far East by the migrants from the European part of Russia. Moving to cities was also significant – temporary moving for seasonal work and for the permanent residence.

Census of 1926 recorded a continuation of development of the country outlying areas. However, major changes have taken place- the revolution and civil war have caused an outflow of natives of the major cities and capitals to other regions, which, however, was compensated by the growing urbanization and the influx of former peasants to the cities. The establishment of the soviet caused the complete cessation of migrations with foreign countries.

Census of 1989 was the summing up of the migration processes that have occurred during soviet period. Just at this time there was industrial development of the regions of the Extreme North, West and East Siberia and many parts of the Far East. In the postwar period territory of the Kaliningrad region was populated. The traditional centers of attraction were Moscow and Leningrad.

Censuses of 2002 and 2010 fixed stable trend of movement from the regions of Siberia and Far East to Moscow capital region, regions of Russian South and in western and south direction inside this micro regions. New centers of migrants attraction appeared – gas and oil-producing regions of Western Siberia.

Migration processes are bright indicator of socioeconomic processes in the country and, in spite of many other factors (ethnic composition of the population, geographic position etc.), main part of migration flows is directed to the regions with economic advantages. Such as: free lands (till census of 1926), availability of industrial centers and large cities (till census of 1989), carrying out of capital functions, higher salary.

In the history of Russian domestic migrations there were few waves of colonization of new, mostly marginal lands. They were developed in the imperial period and more actively in soviet time. However in the end of soviet period migration processes reversed. And with some minor exceptions the most active donators of migrants became those regions which were developed in the recent past. The main migration process on the turn of XX-XXI centuries was ‘Western drift’ – movement from Eastern part of Russia to Western part.

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The Complications of Donor Assisted Reproduction Anonymity

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Abstract

Assisted reproduction methods are becoming ever-present for couples who can’t conceive a baby in a natural reproduction way. More than 5 million babies have been born worldwide since the first IVF baby was born in 1978. As medical techniques are developing in this area legislation is still trying to legitimate issues related to artificial reproduction techniques. Art in many countries relies on the principle of anonymity of donors, but with the increasing prevalence of these techniques the use of this principle led to the emergence of some legal issues as the higher interest of the child to know its origin and its genes and the legal complications in term of marriage capacity. This paper aims to treat the relationship between the right to remain an anonymous donor versus the benefits of the disclosure of the donor identity. In the discussion on the anonymity of donors vs the disclosure of their identity a crucial topic is the procedure that should be implemented to manage the personal data of the donors in order to guarantee donor’s rights and place him in a comfortable position away from harassments.

Keywords: artificial reproductive technology, anonymity, disclosure, marriage capacity, higher interest of the child.

1. Introduction

ART has a long tradition based on anonymity. The practice of anonymity was institutionalized by the first organized nationwide programme of gamete donation, the French ‘Centre pour l’Etude et la Conservation des Oeufs et du Sperme’ founded in 1973 (Shenfield and Steele, 1997). In Europe, donors remained anonymous until the 1980s. However, there has subsequently been a movement away from anonymity.

The issue of donor anonymity is a clue issue because of its implications with fundamental principles as privacy, personal identity, minor rights and family rights. The anonymity of the donor means to protect donor rights and his privacy. Art 8 of the ECHR define privacy as the right to respect private and family life, home and his correspondence. In exercising the privacy right there shall be no interference by a public authority except cases when it is in accordance with the law and is necessary in a democratic society.

The application of artificial reproduction methods has raised a comprehensive discussion between the right of the donor to remain anonymous and the right of the child to be informed as to respect the highest interest of the child. The balances of these rights seems to be difficult as long as legislations should provide a system that respect the right of the child to be informed and his highest interest as well as the privacy rights of the donor.

Arguments for secrecy in ART state that anonymity and secrecy are necessary to protect the birth parents, the family unit, the donor, and the donor offspring. So the interest of three units shall be respected. In the conflict between these interests the paper aims to analyze which of the two rights will be prevalent, taking into account the complications that brings the implementation of one or another principle.

2. Disclosure of the Donor Identity vs Anonymity

2.1 Implications of the two principles with human rights

Secrecy and anonymity of the donor have ruled the ART for decades but recently the need to ensure the best interest of the child has brought to attention the need of knowing the identity of the donor for social or medical reasons.
The knowledge of genetic origins contains two parts: the first is the secrecy issue which touches the question whether the person is informed that he was conceived by means of donor material. The second part is the donor anonymity that concerns the release of the identity of the donor to the offspring (Haimes E, 1988). There has been a real evolution in terms of disclosure of the information in some European states as Switzerland, Germany, UK, Sweden which has moved forward with the disclosure of the information by giving to the offspring the right to know the identity of the donor in a certain age. The discussion on disclosure versus anonymity involve specific rights guaranteed by international conventions such as Article 7 of the United Nations Convention on the Rights of the Child which gives the child the right to know his parents as far as possible and Article 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

Art 8 of the European Convention for the Protection of Human Rights and fundamental Freedoms guarantee the respect of everyone private life, family, home and correspondence from any interference by public authorities. Private life, in the Court's view, includes a person's physical and psychological integrity and can sometimes embrace aspects of an individual's physical and social identity (Niemietz v. Germany).

Anonymity as the provision of the privacy right are based on the individual right of everyone to have full control over their bodies (Lisa Shield). The donor anonymity is based on one of the fundamental freedoms such as the dignity of the body as well as the right to have a quiet family life.

Interpreted in this way Art 8 of the ECHR protects the right of the donor to maintain the anonymity in connection with all the actions he performs with his body such as the sperm donation. On the other hand if we take in consideration that most of the donors are young students which take part in the sperm donation for financial purposes, the disclosure of their identity 18 or more years later can lead to a breach of their family life and privacy. Many authors believe that the implementation of the disclosure principle can jeopardize the entire procedure of artificial reproduction.

On the flip side is the right of the offspring to be informed on his genetic background and the protection of the highest interest of the child, guaranteed not only by the United Nations Convention on the Children Rights but even by the European Convention on Human Rights. The Court reiterates that birth, and in particular the circumstances in which a child is born, forms part of a child’s, and subsequently the adult's, private life guaranteed by Article 8 of the Convention (Odièvre v. France). Respect for private life requires that everyone should be able to establish details of their identity as individual human beings and that an individual’s entitlement to such information is of importance because of its formative implications for his or her personality (Mikulić v. Croatia). This includes obtaining information necessary to discover the truth concerning important aspects of one’s personal identity, such as the identity of one’s parents (Jäggi v. Switzerland).

However the Council of Europe has stated that, “It is not possible at the present moment to draw decisive arguments from the Convention for the Protection of Human Rights and Fundamental Freedoms either in favor or against the anonymity of donors.” (Frith, 2007)

At the same time in the Gaskin case the Court explicitly avoided expressing an ‘opinion on whether general rights of access to personal data and information may be derived from Article 8 of the Convention. (ECHR 1989) The most crucial point emphasized by the Court was that a balance should be struck between the interests of the individual seeking access to his records on the one hand and the interests of those who had supplied information in confidence, and more generally, the interests and expectations of the other people involved, on the other hand.

On the other hand, The United Nations Convention on the Rights of The Child (UNCRC) in Art. 8 commits States Parties, “to respect the right of the child to preserve his or her identity,” and to provide “assistance and protection” when a child is deprived of “some or all of the elements of his or her identity” (Sartori D.H, 2007) Article 8 requires to the domestic law to provide the offspring with information relevant to his/her genetic identity by opening previously sealed records. Also, Articles 9 and 16 facilitate meetings between donor offspring and genetic relatives. (Shanner L, 2003) As it is seen Art 7 of the UNCRC is not inconsistent with Art 8 of the ECHR because according to the European Court of Human Rights interpretation the right of the offspring to be informed is guaranteed within the meaning of Art 8.

In the relationship between the right of the donor to remain anonymous and the right of the offspring to know the donor identity the European Court of Human Rights has left to the member states and the national legislations the obligation to protect and balance both of the rights. Member states should provide the necessary tools to protect the right of the privacy of the donor and the right of the offspring to know the donor identity.

2.2 Implication of the anonymity principle with family law:

Another implication in applying the anonymity principle is the impact that this principle would have in the family law and more specifically in the possibility to have a valid marriage. The validity of a marriage depends on the capacity of both
spouses to marry. Parties will have the legal capacity to marry if they meet the following request:

- Not to be in within the prohibited degrees of relationship.
- Reach the age of majority
- Not to be married (in a valid marriage).
- Spouses of different sex (depends on the national legislation).

The prohibited degrees are of two kind; consanguinity (related by blood) and affinity (related by marriage or by law). Almost in all legislations (England, Germany, Belgium, France ...) there is an absolute ban on the blood relationships (consanguinity) between the two spouses. (Marriage Act 1949; Prohibited Degrees of Relationship Act 1986 of the UK German Civil Code, Belgium Family Law, France Family Law) Although legislations have gone through liberalization of marriage bans, closed blood relationships are still considered not only as a ban to the capacity to marry but also as a criminal offence. In the cases of adopted children, marriage ban weigh not only on the adopted child and his adoptive family but also on the adoptee and his family of origin. In the same light blood ties between the offspring and the sperm donor or his nearest successors would also constitute a ban for a valid marriage. Implementation of the principle of donor anonymity could lead to marital bans between the spouses to the extent to make a marriage invalid. In UK individuals who wish to have an intimate relationship, marry or enter into a civil union may check the data information on the national register to see if they are genetically related due to gamete donation. (M. Richards, G. Pennings and John B 2012)

3. Anonymity in the EU Member States and the Albanian Case

Prohibiting gamete donor anonymity is a growing global trend, currently adopted by some EU members and jurisdictions as Sweden, Austria, Switzerland, Netherlands, Norway, Germany, Finland and the United Kingdom have prohibited anonymous gamete donors. (Blyth & Frith) Sweden was the first jurisdiction since 1985 to implement the non anonymity principle allowing a child born through ART procedure to disclose the identity of the donor when he reached maturity. A number of jurisdictions that promote donor anonymity have, nevertheless, established statutory donor conception registers, containing details of donors, recipients of donated gametes or embryos and children born as a result of donor procedures, and permit varying degrees of access to information held on the register (Bielawska-Batorowicz, E. 2004) The Czech Republic and Iceland operate a different scheme which is a hybrid system conventionally known as the ‘double track’ where a donor may choose at the point of donation either to be identifiable to any offspring or to remain anonymous. Prospective recipients of donated gametes may then choose to receive the gametes of either an anonymous or identifiable donor. Thus, both donors and recipients may exercise choice, at the time of donation and receipt respectively, although the future options available to any donor-conceived person are restricted by the choice made by their parents. (Blood, J., Pitt, P., Baker, G. and Foster, P. 2001) A particularly recent development has been the ‘Voluntary Contact Register’, which full title is the ‘Donor Treatment Procedure Information Register,’ but is colloquially known as the ‘Voluntary Register,’ thus providing the generic description of such registers. (Blyth, E. 2004) The idea behind such registers is that where donation has been made anonymously, information can be disclosed with the mutual consent of the parties involved (offspring at a certain age and the donor).

In every legislation of the states that has implemented the disclosure principle, regardless of how it is applied, the right of the offspring to know the identity of the donor depends entirely on whether his parents would tell him that he is born under an ART procedure. Despite of the methods that would be implemented in order to respect the right of the offspring to know the donor identity, the privacy rights of the donor should be respected. Legislations should ensure the discrete maintenance of the donor’s data under an effective system because in the end is not the right but its boundaries that need to be shown. (Albin Eser)

From 2002 Albania jurisdiction legitimizes the artificial reproduction techniques with the “Reproductive Health” Law. Art 2 of this law giving the meaning of the “reproductive health” defines it as “….people’s ability to reproduce and the freedom to decide the manner and timing of reproduction…” (Art 2 of the Albanian “Reproductive Health” Law), gives to each individual (not only to marital couples) the opportunity to choose the methods of reproduction. The “Reproductive Health” law legitimizes the application of different techniques of artificial reproduction by couples who are infertile or when the donor is not the mother’s partner. (Art.10 of the Albanian “Reproductive Health Law) The procedures of artificial reproduction which are related to heterologous reproduction are only mentioned but not specifically defined in law, but the law itself provides for the possibility of implementation of this regulation in other normative acts. Until now no regulations on this field are implemented. Even in Albania the techniques of ART are followed by the principle of anonymity. Art 14 of the “Reproductive Health” law, imposes an obligation on medical services to preserve the confidentiality and the
anonymity of the data. The donor anonymity is not explicitly guaranteed by law but in the interpretation of this provision it imposes the obligation of keeping anonymous data included here (by interpretation) even the identity of the donor.

Artificial reproduction methods are applied relatively late in Albania compared to other European countries and there has been no cases of offspring asking for the identity of the donor even if it is expected that this is going to happen very soon and therefore the Albanian legislation should be such to guarantee the right of the offspring to know his identity and the right for privacy of the donor. Human rights arguments have been advanced in support of disclosure of donor identity in many EU countries which are strictly using donor anonymity and I think that even the Albanian legislation shall follow this trend. Albania is a signatory of the United Nations Convention on The Right of the Child and of the European Convention of Human Rights of which derive the obligations to respect and protect the best interest of the child, his right to preserve his or her identity and the privacy of the donor. The Constitution of the Republic of Albania protects the right of privacy. According to the Constitution the treatment of personal data by other persons can be made with the approval of the person to whose the personal data belong (in this group are also included even health or sexual data). (Art 35 of the Constitution of the Albanian Republic)

Cases where prior consent is not required are defined only by law. In the decision of the Constitutional Court of Albania, the court stated that “…personal data of a sensitive nature deserve a different treatment from that involving property…” . (Decision of the Albanian Constitutional Court, No.16 date 11.11.2004)

From the constitutional point of view it is possible to implement the disclosure principle for the donor but it is necessary to implement this principle under a strictly procedure for the administration of donor’s data.

Another implication of the donor anonymity principle is that with family law mentioned even in the second part of this paper. Even the Albanian Family Law provides marital bans one of which are also the closed degrees of consanguinity and affinity relationships between the two spouses. According to the Albania Family Law blood ties constitute a ban for a valid marriage. (Art 10 of the Albanian Family Law 2004) This does not only concludes blood ties between biological family members but also between tha adoptee and his adoptive family and the adoptee and his biological family. The existed application of the anonymity principle can lead to invalid marriages between people with blood relationships because of their lack of knowing. (Art 40 of the Albanian family Law 2004)

4. Recomandations

Since 2002 Albania has an incomplete legislation on the artificial reproduction. The techniques of artificial reproduction and the basic principles of its functioning are implemented in the “Reproductive Health” Law and it seems that apparently they have not merited an extended treatment. Ministry of Health does not have accurate official data on the number of babies born each year by the application of ART, even though more often it hears about more and more couples who undergo such techniques and where many of them are foreigners who choose the Albanian “market” due to its low cost. The lack of information related not only to the babies born by the implementation of these techniques, but even to donors, is the proof of a weak administration and a lack of management in this area which can lead to misuse of the information.

In front of this lack of management is difficult to conclude on what should be improved because the legislation over this topic in Albania is incomplete. This is why in a possible development of the legislation in this field I would rather recommend:

- Setting up a data base register, administered by the Ministry of Health on which all identity and health situation data of all parties (recipient, donor and offspring) shall be recorded.
- Granting the right of the offspring to be informed in a certain age about his genetic origin.
- Remove the principle of donor anonymity and replace it with the disclosure principle, granting so the right of the offspring to know the donor identity, as an obligation arising from ECHR and UNCRC.
- Implementation of such a system to balance the right of the child to be informed about its genetic background and the highest interest of the child and the right of privacy of donors.

This paper has so demonstrate the legal complexity associated with the principle of the donor anonymity and the right of the offspring to know. It is hoped that through highlighting this discrepancies and the legal limits this research will aid further consideration and progress on the ART legislation in Albania and will strengthen the protection of the offspring rights.

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Gravity Model and Zipf's Law: An In-Depth Study into the Nature of International Trade

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Abstract

In this paper trade pattern based on distances between countries was tested through gravity model approach. This research highlights some of the regularities in international trade that arise and are in concordance with the rank-size rule. An empirical study was conducted on static data used in Croatia in 2012 in order to test the validity of Zipf's law. The presence of Zipf's law was empirically tested using population data for city proper and city settlements as well as the export values of Croatia’s most important trading partners. In both cases results corroborate the existence of Zipf's law in population and export values. Due to the heavy tailness of Pareto distribution minor adjustments to the model have been made. Gravity model approach shows significant impact of distance and GDP on international trade. Dummy variable common border indicates that most of the trade in Croatia is done due to preferable geographical position of the country.

Keywords: International trade, Zipf's law, rank-size rule, gravity model, geographical economics

1. Introduction

Most of the studies conducted in the field of international economics are aimed towards the analysis of causes and effects in international trade. Classical theories of international trade explained trade as a result of price difference based on different absolute or relative labour productivities among countries. Later on, Eli Heckscher and Bertil Ohlin introduced capital as second factor of production having both production possibilities and demand preferences. New trade theories assumed several assumption that were rather rigid in the aforementioned theories. This paper unpretendedly aims to recreate new trade pattern of international trade based on Zipfian or rank-size distribution. Why do cities emerge, how do they locate in countries and how do production inputs relocate within a country is still the key question in geographical economics.

Power laws originate from mathematics and construct relationship between two variables. Power law relation is merely a function of two variables expressed as a power of one variable. Due to the nature of power functions logarithmic decomposition can be made as well as its exponential counterpart from reverse action. Let's define power law function as follows:

\[ y(x) = ax^{k} \]  \hspace{1cm} (1)

where \( x \) and \( y \) are independent and dependent variables, \( a \) is estimated parameter and \( k \) is the power coefficient. The same (1) expression can be transformed in logarithmic form (2) as follows:

\[ \log y = \log a + k \log x \] \hspace{1cm} (2)

Previously mentioned functions are deterministic which is a characteristic of hard sciences such as physics and mathematics, but not economics. In most cases natural laws incorporate stochastic component \( \epsilon \) as a result of sampling/measurement error or any other uncertainty that affects the mean. In this respect power law in social sciences is often remodeled into nondeterministic form (3):

\[ \log y = \log a + k \log x + \epsilon \] \hspace{1cm} (3)
where $\varepsilon$ represents deviation factor or error term. There are several varieties of power laws available and its prevalence is in mathematics, physics, biology, economics and many other social sciences in particular. In this paper we analyse specific form of power law that is know as Zipf's law and is of great importance for economists. First proposition regarding city-size relation was made by Felix Auerbach (1913). Fine tuning of Auerbach's findings was done by American researcher George Kingsley Zipf (1949) in a rule that states that frequency of some occurrence is inversely related to the rank of the same occurrence. The latter conclusion was formed out of analysis of word occurrence in text where one could conclude that the frequency of the word occurrence is inversely related to its rank in frequency table.

Cobb-Douglas production function is also a power law function with two parameters in the exponent ($\alpha$ and $1-\alpha$).

2. Application of Zipf's Law in Economics

How can Zipf's law (or rule) be applied in economics today? Due to its nonlinearity (convexity) Zipf's law is very useful in convexed analysis of a single variable calculus. Well known Pareto distribution has a power law tail and is very similar to Zipf's distribution\(^1\). Pareto distribution is strictly used for continuous functions while Zipf's one is for discrete cases. In this respect they are somewhat different and much alike at the same time. One of the first application of Zipf's law was in geographical economics. Population of the cities and their rank follow Zipf's law. The second biggest city in a country is approximately $\frac{1}{2}$ of the largest city size, and third biggest city is $\frac{1}{3}$ of the largest city size, etc. The rank-size rule applied in geographical economics emerges from Auerbach's paper from the beginning of 20th century and can be expressed in Pareto distribution (4):

$$y(x) = ax^{-k}$$

which is equivalent to (5):

$$\log y = \log a - k \log x$$

where $x$ is population size, $y$ is the number of cities larger than $x$, and $a, k$ as constants. Zipf's work on Auerbach's idea goes further and assumes that distribution should have the following values of parameters: $k = 1$ and $\alpha = \text{the size of the biggest city}$ in order for data to fit. Several papers have tested Zipf's law using different approaches. Let us mention few of the most promising:

Ioannides and Overman (2000) empirically examined validity of Zipf's law for metro areas in the United States on a large set of data ranging from 1900 – 1990. They used nonparametric test in order to estimate variabilities in endogeneous variables. Results have showed that Zipf's law holds for a large range of city sizes.

General investigation in the area of power laws was systematically laid out by Newman (2004) showing remarkable concordance with Zipf's law. It was found in variations of the following variables: word frequency, citations, web hits, books sold, telephone calls received, earthquake magnitude, crater diameter in km, net worth in US dollars, name frequency and most notably population of cities.

A cross country investigation of Zipf's law was again tested by Kwok Tong Soo (2005) using OLS and Hill's estimator. With the use of OLS method Zipf's law was rejected for majority of countries while Hill's estimator rejected Zipf's law for minority of countries. Overall conclusion was that political economy variables better explain variations in parameters than geographical ones.

Hinloopen and van Marrewijk (2008) concluded that Balassa index of revealed comparative advantage also follows Zipf's law using estimator developed by Gabaix and Ibragimov (2006). Despite the general acceptance of Zipf's law in data there are differences between countries, sectors, population size, etc.

Recent comprehensive study in the area of Economics and Finance was conducted by Xavier Gabaix (2009) leaving several questions open for discussion, e.g. why do origins of cities, firms, international trade, CEO pay or market fluctuations follow power laws.

3. Data and Methodology

In order to test the presence of Zipf's law an appropriate population data for city proper and city agglomeration was taken from Croatian Bureau of Statistics based on census survey in 2011. Population was matched for top 100 cities or

\(^1\) Sometimes referred as zeta distribution.
settlements ranked by size. Along with classic relationship between rank and size of the cities presented by G. K. Zipf, this paper goes further on establishing the link between export values and its rank among top 100 importing countries of Croatian products.

The following regression equations for city proper and city agglomerations were used in testing the validity of Zipf's law:

\[
\log \left( \frac{\text{Rank}_i}{2} \right) = \beta_0 + \beta_1 \log \text{City Prop} + \epsilon_i \\
\]

for each 1-th city proper ranging from largest to smallest (Zagreb to Zlatar), \( i = 1 \ldots 100 \).

and

\[
\log \left( \frac{\text{Rank}_i}{2} \right) = \beta_0 + \beta_1 \log \text{City Agglomeration} + \epsilon_i \\
\]

for each 1-th city agglomeration ranging from largest to smallest (Zagreb to Buje), \( i = 1 \ldots 100 \).

Experimental test of power law, more specifically Zipf's law, present in export values of Croatia's top 100 trade partners was carried out very similar:

\[
\log \left( \frac{\text{Rank}_i}{2} \right) = \beta_0 + \beta_1 \log \text{Exports} + \epsilon_i \\
\]

for each 1-th importing partner country of Croatia ranging from largest to smallest (Italy to New Zealand), \( i = 1 \ldots 100 \).

In all three log-linear regression equations (6)-(8) rank values were adjusted using Gabaix-Ibragimov estimator due to the fact that most of the data were grouped on the right side of the Pareto distribution. Empirical results in the next section should confirm model's goodness of fit (high \( R^2 \) value) and estimated \( \beta_1 \) close to -1.

Gravity empirics was tested using 2012 export values (in EUR) for Croatia's trading partner countries, again first 100 countries. Data was collected from Croatian Bureau of Statistics based on values for foreign trade in goods in 2012. Partner GDP values were downloaded from Eurostat and World Bank sources for year 2012. Aerial distance was calculated as a shortest distance between two capital cities of partner countries engaged in bilateral trade.

Proposed statical gravity model is as follows:

\[
\log \text{Exports}_{ij} = \beta_0 + \beta_1 \log \text{GDP}_j + \beta_2 \log \text{Dis tan} + \beta_3 \text{common _ border} + \epsilon_{ij} \\
\]

where

\( i = 1 \) - reference country (Croatia),

\( j = 1 \ldots 100 \) - partner country (Italy to New Zealand),

\( t = 2012 \) - base year,

\( \text{Exports}_{ij} \) - exports from Croatia to 1-th partner country in year \( t \) (in EUR),

\( \text{GDP}_j \) - 1-th partner country GDP in year \( t \) (in EUR),

\( \text{Dis tan} \) - distance from Croatia's capital Zagreb to 1-th country capital city,

\( \text{common _ border} \) - 0 if countries do not share common border, otherwise 1

\( \epsilon_{ij} \) - noise/error term

If practice (empirics) complies with theory then expected signs of regression parameters \( \beta_1 \) should be: \( \beta_1 > 0 \), \( \beta_2 < 0 \) and \( \beta_3 > 0 \) along with high \( R^2 \) value and statistical significance of all independent variables.

4. Empirical Results

With the methodology already mentioned in previous section the presence of Zipf's law is tested for city proper and city agglomeration values based on 2011 data. Graphical relations are shown at Figure 1 and Figure 2. Experimental data analysis provided for export values in Croatia's goods trade yields somewhat different results, but still within the theoretical bounds, which can be carefully observed at Figure 3.
As shown at Figure 1 and Figure 2 observed data scatter neatly along the line representing log-linear fit corresponding with Zipf's findings. Both $R^2$ values (0.9877 and 0.9869) are very high implying the correct use of an economic model. The slopes of the regression lines in both cases are negative with coefficients close to -1. Observed data for city agglomeration fit more better Zipf's model with $\beta = -1.0369$ as opposed to city proper data where $\beta = -0.8555$.

Croatia's goods export values and the rank of the importing countries also follow Zipf's law but not perfectly as shown in two previous cases.

Figure 3: Zipf's law for Croatia's export partners in 2012
Coefficient of determination is still very high in this case also ($R^2 = 0.8669$) while the regression line is more steeply (negatively) inclined with $\beta_1 = -1.6859$. Overall conclusion is that population of city proper, city agglomeration and export values to partner countries follow Zipf’s law.

As a complement to Zipf’s law gravity model assumes several important facts that should be accounted for future investigation of trade patterns and trade flows. Most of the international trade among countries is affected by location and geographical position of a country as a result of differences in transport costs. Due to Croatia’s Mediterranean orientation and its close connection with the European Union most of the trade is created with countries in near proximity, most notably Italy, Bosnia and Herzegovina, Germany, Slovenia and Austria while the rest of the non-Europe (extra) trade is created with Russian Federation and United States. Trade distribution over continents along with the size of a countries measured by GDP can be closely examined at Figure 4.

**Figure 4:** Croatia’s exports and distance over continents

Regression analysis on expression (9) corroborates theoretical assumptions regarding the impact of geographical distance of countries and transport costs on bilateral trade flows. Estimated regression equation based on expression (9) yields the following results:

**Table 1:** Regression output in gravity model for Croatia, 2012 data

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>$\beta_i$ coefficient</th>
<th>t-statistic</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>16.43754***</td>
<td>9.97834</td>
<td>0</td>
</tr>
<tr>
<td>LogGDP</td>
<td>0.297908***</td>
<td>5.329575</td>
<td>0</td>
</tr>
<tr>
<td>LogDistance</td>
<td>-0.921989***</td>
<td>-7.857278</td>
<td>0</td>
</tr>
<tr>
<td>LogCommon_border</td>
<td>1.637159***</td>
<td>2.942002</td>
<td>0.0041</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.586568</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-statistic</td>
<td>45.40086</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prob(F-statistics)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*** - variable significant at 1% level  
** - variable significant at 5% level  
* - variable significant at 10% level

From Table 1 it is clear that all independent variables are statistically significant at 1%, 5% and 10% level using t-statistic. F-statistic shows that at least one of the variables in group test is statistically significant as well. The signs of $\beta_i$
coefficients are consistent with economic theory, i.e. classical gravity model approach. Coefficient of determination is not too high thus reducing the risk of multicollinearity in OLS model, but still explains a great portion of variability in dependent variable.

5. Conclusions

International economics today still doesn't have one Theory of everything, unified theory that should explain causes and effects of international trade. Trade effects are pretty much known to us, but the causes of trade still remain a mystery. Geographical economics as a part of international economics analyses micro and macro aspects of trade explaining why do cities emerge, and most importantly where do they locate. Local trade creates micro trade patterns that also reflect in macro trade patterns, the one that exist between countries. In this paper we tested Zipf's law, one of the power laws based on Pareto distribution which puts in relation rank and size of the cities and settlements in a country. Positioning of cities greatly affects local economy due to re(a)location of inputs and outputs thus leading to new optimal equilibrium. Empirical results from this paper suggest that the size of city proper and city agglomeration in Croatia strictly follows Zipf's law based on very strong log-linear relationship in variables. Surprisingly, Croatia's export values also follow Zipf's law with less explained variance in dependent variable. In addition to Zipf's law, gravity model was constructed based on classical model by Jan Tinbergen. Estimated parameters of log-linear regression output are consistent with implied (theoretical) values and strongly support the thesis of trade based on economic size measured by GDP and distance between countries. Common border as a qualitative regressor variable also positively affects international trade giving preference to adjacent countries.

References

A Diachronic and Source Approach of Phraseological Units – Theories of Definition, Criteria and Structure Analysis in English and Albanian Language

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Abstract
This study defines and synthesizes the basic and profound nature of phraseological units (idioms) in English and Albanian. It uses descriptive research and analysis of idiom occurrence in both languages and interpretation of their similarities and differences. The findings of this study are given in a detailed and considerable perspective of both languages. It has outlined the typical sources and the diachronic approach of phraseological units, indicating typical characteristics of them. The present paper focuses on the diachronic and resource approach in a comparative way in both languages. The paper aimed at discussing the quality of different approaches of idiom definition and theories from the perspective of two different nation’s cultural and geographical outlook. It gives a deep sight in the diachronic approach and analysis of idioms by presenting the main sources in English and Albanian language. It sought to examine the criteria of idiomaticity, stability and word equivalency, idiom motivation, grammatical and lexical valence of words in uniting them into word-groups. The study further relies on principles of classification of idioms. It reports certain features of idioms and it also presents idiom variation in language. This paper discusses the structure analysis of idioms, ways of forming phraseological units as a means of language creativity and nation spiritual reflection. The study further finds the meeting points in languages. It aims to explore the importance of achieving semantic and structural identity in language.

Keywords: Phraseological units, diachronic approach, source, criteria, analysis, English and Albanian language

1. Theoretical Background

The study of idioms in phraseology has been the subject of interest and importance of Albanian and world linguists in the last centuries. They have tried to give a comprehensive and precise approach to the definition of idioms but with certain differences in the main criteria used by them. This article studies idioms which in vocabulary have been approached from different perspectives, the focus of attention varying from form and frozenness (idiom structure) to metaphoricity, and the degree of literalness (idiom meaning). Depending on the emphasis, the definition has accordingly varied from a very strict ‘prototypical idioms only’ to a very flexible definition effectively identifying any fixed expression in idiomatic language as an idiom. Just as with defining and labeling formulaic language in general, it is difficult if not impossible to reach an agreement on the definition of an idiom. The terms idiom and phraseological unit have been used by linguists as equivalents of one another but a question arises whether they are the same and if they can be used in the place of one another. However, we have the terminology used by the eastern and mainly Russian linguists (A.I.Smirnitsky, V.V. Vinogaradov, etc) who prefer the term phraseological unit and the western (English, Americans) who use the term idiom. Even in Albanian the term phraseological unit has been distinguished from the term idiom considering idioms as highly motivated (frozen) units. This term habitually used by American and English linguists is very often treated as synonymous with the term phraseological unit universally accepted in Albanian.

Phraseological units of all kinds permeate everyday language use throughout all linguistic registers: in everyday speech, journalism, academic prose, literature, political or diplomatic speech and writing, etc. Phraseology plays an important psychological and cultural role in language processing and social cohesiveness. Normal use of phraseological expressions is sometimes self-conscious and creative, at other times uncertain and can also be contentious.

Criteria of phraseological units, classification, and their structure analysis are given by a great number of linguists. The aim of this article is to give an overall perspective view and summarize the main theories of linguists representing their viewpoints and contribution on phraseology till nowadays highlighting the contribution of Albanian phraseology as
well. It describes as well the sources of phraseological units in both languages concentrating on some hints on the diachronic approach.

2. Criteria of phraseological units

Attempts have been made to approach the problem of phraseology in different ways. Till now, there is a certain divergence of opinion as to the essential feature of phraseological units distinguished from other word-groups and the nature of phrases that can be properly termed phraseological units.

American and English dictionaries of unconventional English, slang and idioms and other highly valuable reference-books contain a wealth of proverbs, sayings, various lexical units of all kinds, but as a rule do not seek to lay down a reliable criterion to distinguish between variable word-groups and phraseological units. Between the extremes of complete motivation and variability of member-words on the one hand, and lack of motivation combined with complete stability of the lexical components and grammatical structure on the other hand, there are innumerable border-line cases. However the existing terms, e.g. set-phrases, idioms, word equivalents, reflect to a certain extent the main debatable issues of phraseology, which center on the divergent views concerning the nature and essential features of phraseological units as distinguished from the so-called free-word groups. The term set-phrase implies that the basic criterion of differentiation is stability of the lexical components and grammatical structure of word groups. The term idiom implies that the essential feature of the linguistic units under consideration is idiomaticity or lack of motivation. The term word-equivalent stresses not only the semantic but also the functional inseparability of certain word-groups and their aptness to function in speech as single words. (Ginzburg, A course in Modern English Lexicology).

Differences in terminology reflect certain differences in the main criteria used to distinguish between free word groups and a specific type of linguistic units generally known as phraseology.

The criteria offered by linguists are idiomaticity, stability, and word-equivalency. Referring to researches of A.V.Kunin he describes the criteria of structural separateness or divisibility of phraseological units into separately structured elements (word or lexemes), e.g. a hard (tough) nut to crack ‘a problem difficult to find an answer’ can be used in the following forms: They are hard nuts to crack, it is harder nut to crack, the toughest nut to crack.

- Stability is the other important criterion. Kunin distinguishes several aspects of stability: Stability of use, Lexico-semantic stability, Morphological stability- ‘play a lone hand, chase the wild goose’, but variability is possible in some cases: to be in deep water(s); as happy as king(s), Syntactic stability ‘cakes and ale, bread and butter, bread and circus’.

Though phraseological units possess a high degree of stability, their stability is relative. We distinguish phraseological units with high level of stability: ‘show the white feather, tit for tat’ medium degree of stability: ‘the Procrustes’ (Procrustean) bed’, and low level of stability: ‘shed (throw,turn) light (a light) on (upon)’. Among phraseological units we distinguish partly motivated (a dog in the manager) or non-motivated word-groups (kick the bucket) is non-motivated. Non-motivation can be explained by the fact that, in course of time, the association between each particular meaning of the component lexemes and the meaning of the whole word combination was faded and lost.

- Functional criterion. A.Smirnitsky considered phraseological units to be word-equivalents because like words phraseological units are introduced into speech as ready-made and function in speech as single words. Phraseological units and words have identical syntactic functions and they are interchangeable in certain contexts. For example throw one’s hat in the air ‘rejoice’, the eye of the day ‘the sun’.

Though phraseological units and words have much in common they are different language units. The former is characterized by structural separateness and the later by structure integrity. Phraseological units occupy an intermediate position between words and free-word groups. The difficulties to distinguish between them are enhanced by the fact that salient properties of phraseological units (idiomaticity, stability, and word-equivalency) are expressed in different phraseological units in different degree.

3. Definition of Phraseological Units (Idioms)

There are various definitions of phraseological units (idioms) which reflect certain differences in the main criteria used by different authors. According to A.Kunin, phraseological units are stable word-groups with partially or fully transferred meanings. R.S.Ginzburg defines them as habitually non-motivated word-groups that cannot be freely made up in speech but are reproduced as ready-made units. J.Sedl and W.Mc. Mordie gives the definition as: The idiom is some quantity of
words which, under condition of their joint consideration, mean something absolutely another in comparison with the individual word meanings, forming an idiom. In *Thesaurus dictionary*: An idiom is a speech form an expression of a foreign language that is peculiar to it grammatically or cannot be understood from the individual meanings of its element. In *Cambridge dictionary*: An idiom is a group of words in a fixed order that have a particular meaning that is different from the meanings of each word understood on its own.

According to the well known Albanian linguist *Jani Thomaj*: An idiom is a linguistic unit with an autonomous meaning consisting of two or more words, with a stable construction, historically formed for a long time, with the value of one word and is reproduced in speech and functions in language as ready-made unit.

As it is seen by the definitions given and others which cannot be quoted for limited for amount of pages in this paper, the concept of ready-made units, the criterion of idiomaticity and stability are the main essential features for their existence. But according to Ginzburg the current definitions have been the subject to criticism. 1) The definitions are felt to be inadequate as the concept ready-made units seem to be rather vague. 2) Frequent discussions have also led to questioning this approach to phraseology from a purely semantic point of view as the criterion of idiomaticity is found to be inadequate guide in singling out phraseological units from other word-groups. 3) The criterion of stability is also criticized as not very reliable in distinguishing phraseological units from other word-groups habitually referred to as phraseology. It is observed regular substitution of one of the lexical components. It is also argued that stability of lexical components does not presuppose lack of motivation. In *shrug one’s shoulders* the meaning of words is easily deducible from the meanings of the member-words, hence the word group is completely motivated, though stable. Idiomaticity and stability are not mutually exclusive and may be overlapping, but are not interdependent.

According to *Vinogradov* he considers phraseological units and lexemes as language units and his main concept is motivation based on Saussure definition. *Amosova* points out that an idiom is a phraseological unit in which we cannot point out which word comprises the main and basic semantic feature of the unit. According to him both words are key to a contextualized form in such units as *grey mare, red herring, and white elephant*. According to *Reichstein* phraseological groups have two different characteristics: regularity in usage and irregularity in semantic and structural organization (idiomaticity and froziness). He also distinguishes three levels of froziness: absolute, selective, and preferential and even perfect (*come to hell or high water*) and imperfect phrases (*to cash in one’s chips*).

4. Development of Albanian Phraseology

In Albanian the research on phraseology had been of a later development. We can trace didactic phraseological studies in the beginning of XX century mainly on the practical plan by A. Xhuvani in his work “*Mbëtje të shënësë e gjuhës*” (1921) *me kallzuem diçka për fije e për pe; me i ardhun nji gjaje pej gëzoft*, than from Nonda Bulka in his work “*Frazëologjia shqipe* (lokucionet) in *Naim Frashëri*” work *“Histori i Shqipërisë*”, from M.Çelikut “*Togfjalësha të qëndrueshëm foljorë në shqipen e sotme*” treats phrases as grammatical and lexical units. I.D.Sheperi (*Gramtika dhe sindaksa e gjuhës shqipe*, Vlorë, 1927) mentions the term *lokusion* and includes phrases: *marr vesh = kuptoj; kam shkurar = shkrova, në vend të (prepositional word-group).* K.Cipo treats them in (*Garamatika shqipe*, Tiranë, 1949, f. 107) *bëka ftohtë, s’është e udhës*. J.Rrota includes 153 examples of phraseological units in (*Sintaksi i Shqipes, Shkodër*, 1942, f. 42) like *baj ball, baj fjalë, baj kambë, baj (e) livadh, etc.* M.Domi in (*Gramtika e gjuhës shqipe.* Pjesa e dytë. Sintaksa, Tiranë, 1957) distinguishes phrases made up of a noun/verb + a preposition like: *mbaj mend, kam frikë, ngul këmbë*. S.Prifti (*Sintaksa e gjuhës shqipe, I*, Tirana, 1962,) gives the syntactic structure of phrases and their semantic value, *u bënet afër (u afruan), bëhuni bashkë, bëra mend* etc. The Albanian phraseology had been later studied in 1960’s by the lexicological linguist J.Thomaj, who for the first time had given a full treatment of the phraseological units mainly in the theoretical and lexicogrammatical conceptual plan in his monography “*Issues of Albanian language phraseology*, 1981.

5. The significance of phraseological change

According to *Ginzburg*, the diachronic aspect of phraseology has scarcely been investigated. Just a few points of interest may be briefly reviewed in connection with the origin of phraseological units and the ways they appear in language. It is assumed that almost all phrases can be traced back to free word-groups which in the course of the historical development of the English language have acquired semantic and grammatical inseparability. It is observed that free word-groups may undergo the process of grammaticalization or lexicalization.

Cases of grammaticalization may be illustrated by the transformation of free word-groups composed of the verb *have*, a noun (pronoun) and Participle II of some other verb into the grammatical form- the Present Perfect in Modern English. The degree of semantic and grammatical inseparable in this analytical word-form is so high that the component
‘have’ seems to possess no lexical meaning of its own. This can be observed in such cases of the Present Perfect as have lost where the constituent have is not felt as antonymous with the verb to lose.

The term lexicalization implies that the word-group under discussion develops into a word-equivalent, i.e. a phraseological unit or a compound word. These two parallel lines of lexicalization of free word-groups can be illustrated by the diachronic analysis of, e.g., the compound word instead and the phraseological unit in spite of both of them can be traced back to structurally identical free phrases. (Cf. OE. in stede and ME. in despit). The process of lexicalization may be observed in Modern English too. The noun yesterday, e.g., in the novels by Thomas Hardy occurs as a free word-group and is spelled with a break yester-day.

Very little is known of the factors active in the process of the lexicalization of free word-groups which result in the appearance of phraseological units. This problem may be viewed in terms of degree of motivation. We may safely assume that a free word-group is transformed into a phraseological unit when it acquires semantic inseparability and becomes synchronically non-motivated. There are certain causes accounting for the loss of motivation of free word-groups such as: a) one of the components results in archaic or drops out of language and the whole word-group may become completely or partially non-motivated e.g. kith and kin, to and fro, b) result of change in the semantic structure of a polysemantic word e.g. to have a mind to do smth, to change one’s mind, etc.; c) when a free word-group used in professional speech penetrates into general literary usage, to stick to one’s guns, to pull (the) strings (wires), etc. Some extra linguistic factors may cause in loss of motivation to show the white father, d) when a word-group making up part of a proverb or saying begins to be used as self-contained unit it may gradually become non-motivated e.g. a new broom originates from new brooms sweep clean. e) When part of a quotation from literary sources, mythology or the Bible begins to be used as self-contained unit it may also lose all connection with the original context and as a result of this become non-motivated e.g. the green-eyed monster is found as part of quotation “It is the green-eyed monster which doth mock the meat it feeds on” (Othello, II, i.165).

Apart from contributing to an understanding of phraseology for its own sake, a study of change in word combinations has a broader relevance, as lexical innovation is frequently associated with phraseological patterns. Some neologisms may only be interpretable with reference to existing word combinations: a toothskin marginal (guardian 4/11/91), a phrase coined by a journalist to describe a parliamentary constituency held by a MP with a very small majority, which would be held in an election with difficulty. This can only be understood via knowledge of by the skin of one’s teeth. Perhaps fewer newly-coined word combinations become institutionalized than do single words or senses because of their arbitrariness, low frequency and precise cultural associations that make them ephemeral. This leads to important issues of standards and competence: can all phraseological innovations be regarded as ‘acceptable’ and can all native speakers be regarded as fully phraseologically competent?

According to Howarth, another reason for studying change at this level is that, when reading texts from a previous period, phraseological change (either from or sense) can be obscure in meaning: for example, be in high feather (change in form=’be much in evidence’) or make love to sb (change in sense= ‘to say loving things to someone’, used at least until the mid-1950s). Thirdly, in the acquisition of a second language creativity on this level may relate to learning style. Some learners are willing to take risks in experimenting with combinations while others are much more cautious. Finally, while conventionality leads to efficient communication, the phrasal lexicon need to be constantly re-organized and refreshed to remain efficient, in order to reflect and accommodate variability between members of a speech community.

The two main areas that present problems for an understanding of phraseological change are, firstly, distinguishing native change from variation, and, secondly, identifying suitable sources of data for the description of change.

5.1 Native-speaker variation

An initial difficulty is to distinguish between intentional, creative variation and unintentional deviation from standard forms. This distinction is clearly necessary in order to understand the creative processes that might lead to change. The chief way is through consideration of the context, medium, genre, register and style: whether the item is spoken or written, from a newspaper headline, formal interview, conversation etc. the more formal and written the style, the more likely it is to be deliberate; non-standard forms found in spontaneous speech are probably unintentional. However, matters are not as simple as that: some items are found in printed sources though the origin may be speech.

In the case of both creative and deviant variation the analytical framework used by linguists such as Mitchell (1966) is useful, categorizing non-standard forms by means of the structural and lexical differences from the standard form they exhibit (transformation, substitution, transposition, expansion and contraction). The category of collocation ‘blend’ is introduced. The few examples presented here will indicate the broad approach even though the precise details of analysis need not be presented here.
5.1.1 Creative variation

A simmering bone of contention (expansion of bone of contention)
on the ill wind side. his publishers are ordering copies of his 5 books of poetry (contraction of it's an ill wind that blows nobody any good)
X doesn’t have courage or conviction to (transformation of have the courage of one’s convictions)
Iran snatching defeat from the jaws of victory (transposition of snatch victory from the jaws of defeat)
You look to it like a duck to orange (substitution of duck to water)
No Smoke without Fear or Favour (blend of no smoke without fire/without fear or favour)

5.1.2 Deviation

His inability to face up to the true music (expansion of face the music)
The proof is in the pudding (contraction of the proof of the pudding is in the eating)
I got this slaking thirst (transformation of slake one’s thirst)
Naked act of aggression (transposition of act of naked aggression)
Not one of the women battled an eyeball (substitution of eylid)
He gets on my goat (blend of he gets on my wick/he gets my goat)

Of the many interesting features of such variation the most significant for the purposes of understanding phraseological change is that many unintentional deviations would pass the average reader or listener unnoticed and many modifications will not be recognized and may therefore slip quietly into usage.

5.2 Native-speaker historical change

Having made this initial distinction within phraseological variability, a number of approaches to the identification and description of phraseological change will be outlined.

5.2.1 An historical continuum

The first approach returns to the earlier supposedly simple way of introducing change into the model of phraseology and suggest that certain historical processes can be seen to operate in the derivation of idioms.
- Some idioms occur as novel metaphorical expressions that become institutionalized and lexicalized: make up one’s mind, put oneself in sb’s shoes
- Some are figurative extensions of institutionalized, though literal expressions: build a wall, draw a line
- Some are figurative idioms developed from restricted collocations (semi-idiomatic expressions): take/adopt a stance, draw a veil over sth
- Some have developed into pure idioms from restricted collocations: do justice to, give rise to

These four categories reinforce the impression of a mono-directional, linear historical progression, but while this is informative within a certain defined set of phraseological categories, it does not tell us much about the underlying creative processes that give rise to change across a wider range of categories.

5.2.2 Informal data collection

A second approach tends to observe change by analyzing naturally-occurring data on an informal basis. For example the observed collocational deviation abrogate responsibility may indicate collocational change from abdicate responsibility. This may result from the lack of analysis of the combination on the part of speakers, where the meaning of abdicate is not fully analyzed, and whether abdicate or abrogate is used is not noticed. This is likely to occur with low frequency items used in specialized sense and with phonological similarity, and a vague semantic connection may also contribute to the process. These changes may become institutionalized. But with other occurrences like suspend belief used instead of suspend disbelief change is less likely to happen. There may also be changes in form when grammatical collocation is converted to a simple lexeme: sort out changing to sort with the meaning ‘arrange/solve’. This only works if the change is currently happening and both forms for a while at least exist simultaneously.
5.2.3 Cliché

The direction in which language develops is towards hyper-conventionality, especially cliché and archaic forms. By definition cliché is a reflection of language change; the speaker is unaware that the expression no longer possesses the figurative force it once had. The stylistic nature of cliché is seen in the fact that a phrase can become instantly a cliché. For example in a UK TV documentary presenter produced the novel expression: explosively productive enterprise and then explosive productivity. It appeared to lose force very quickly and by the third time to be used rather self-consciously.

5.2.4 Historical research

In order to find reliable data a more systematic approach is required. The first task is to define an appropriate time span for historical comparison. If the time span is too short, the change may in fact be variation: e.g. Graham Greene “shall we reach Belgrade to time”? (Stamboul Train 1935:135), which is not found in OED. On the other hand if the distance is too great, there may be too much change to isolate what is distinctly phraseological from other changes in the linguistic system.

6. Data sources

To describe phraseological change in English we need a body of material containing appropriate instances in sufficient numbers that will make the instances visible. The relevant data will involve quite precise semantic and grammatical as well as stylistic judgement, so it is hard to envisage an entirely corpus based method.

6.1 Targeted reading

A novel by Charles Dickens (Barnaby Rudge 1841) and contemporary writings about him are read with the purpose of identifying and noting examples of phraseological change has taken place yielding a useful quantity of data:

- be in high father (Barnaby Rudge: 37) [chase]
- put sb to the blush (Barnaby Rudge: 41) [embarrass]
- cast accounts (Barnaby Rudge:41) [do]
- make as much demonstration as… (Ackroyd 1990) [show]

The advantages of this source of data are that language being studied can be guaranteed as authentic and the origin verified. The drawbacks include the problem of distinguishing between what represents the authentic linguistic conventions of the time, and what is part of the author’s literary style produced for effect especially in the use of dialogue.

7. Sources of phraseological units in English and Albanian

In order to trace the numerous sources of phraseology it is necessary that the research work should go beyond synchronic approach into diachronic as well as ethnography, folklore, history, etc. the study of social element helps to motivate the phraseological units and trace their sources mainly through non-linguistic factors. The sources are of a great number and as any lexical item they can be either native English by origin or borrowed from other languages. Most of them as in Albanian are native which reflect traditions, customs, beliefs, myths, historical facts, personalia, etc.

- phraseological units derived from historical events: pay through the nose, to burn one’s boats, u grindën për mustaqet e Çelos’
- from folklore: ‘I thotë që fët për fët unë të vras’
- from ancient mythology: open Pandora’s box, a Trojan horse
- from traditions and customs: to sit above the salt, tie the knot
- from household items: sytë dollap i ka
- from plants: fle mbi dafina
- from animals and body parts: thashethemet nuk kanë brirë
- atmosphere: është si bryma pas diellit
- groceries: bukë e krypë e zemër
- insects, poultry, reptiles: puna jote si zog në qiell
- from the names of people: a peeping Tom, për mustaqet e Çelos
- professional activity: agriculture-to break ground; industry: a blue-collar worker
- the sea: in deep water;
- fishing: to fish for compliments;
- from the sea: fall into line, me fishekë në brez;
- sports: keep the ball rolling;
- music: play the first fiddle; painting: the dark side of the picture;
- business: bring to account
- parts of body: after one’s own heart, hqëmu nga sytë,

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The sources of phraseological units are numerous in both languages. Both of them have sources from different fields of life most of which are related with traditions, folklore, phraseological units derived from authors and literary works, mythology, beliefs, historical facts, etc. Phraseological units derived from agriculture and agriculture tools, farming, landing are sources which mainly dominate in Albanian phraseology reflecting though spiritual mentality of a nation’s language. A small number of phraseological units are seen in Albanian compared with the English language concerning sports, business, gambling, sea and the life of seamen. However it is crucial to confirm that phraseology is the reflection of the social and psychological attribute in language processing and social cohesiveness in both languages, it changes, slips and is each day enriched as to affirm that “Language is a living thing” (J.Sedl and W.Mc. Mordie).

8. Conclusion

Phraseology plays an important psychological and cultural role in language processing and social cohesiveness. Normal use of phraseological expressions is sometimes self-conscious and creative, at other times uncertain and can also be contentious.

Various definitions of phraseological units (idioms) which reflect certain differences in the main criteria used by different authors had been presented concluding in somewhat the same definition of phraseological units, characterized by elements of stability and idiomaticity, inseparability and word-equivalency. The aim of this study was to give some hints into the diachronic aspect of phraseology which has scarcely been investigated. Just a few points of interest had been briefly reviewed in connection with the origin of phraseological units and the ways they appear in language. All phrases can be traced back to free word-groups which in the course of the historical development of the English Language have acquired semantic and grammatical inseparability.

The sources of phraseological units are numerous and may dominate mostly in one language or the other. They are treated briefly in both languages derived from different sources and fields of life most of which are related with traditions, folklore, phraseological units derived from authors and literary works, mythology, beliefs, historical facts, sports, gambling, the life of sea and seamen, agriculture, politics, economy, bible, parts of body, industry, military sphere, etc.

Among the problems that remain in the diachronic approach of idioms is the difficulty of making confident judgements of meanings that existed in the past in English and Albanian language since the origin of phraseological units and the way they have entered a language remains unknown. The chief drawback of the methods used to the historical change of occurrences is that the chances of finding enough examples of an individual phraseological item that observably changes in meaning, form and style over a certain period are slim. It is difficult to trace back the etymology of a phraseological unit through history of development and no Albanian linguist till up would give for sure the tracing of phraseological units in a diachronic approach.

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Listening to the Ensemble of Story-Telling Performance and Audience Reactions

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Abstract

In vaudeville settings, story-telling performers and their audiences mutually depend on each other. While the audience often smiles in response to incongruent lines and interpreted gestures, the performer sometimes delivers the punch lines only after audience-initiated smiles and movements. However, these temporal structures are too complex to capture directly. In this study, I have proposed a rigid method of formulation and a method of listening to the implicitly organized temporal patterns between the performance and audience reactions. A professional Rakugo storyteller performed live in a laboratory in front of 20 audience members aged 16 to 67 (M = 40.6, SD = 16.4). The qualitative observation of motions and voices were converted to quantitative intensities by using computer programs. I also detected where each audience member concentrated his or her attention, by focusing on eyeblinks, and assigned the identical musical pitch to the reactions of the same person. As a result of mixing these data sequentially along with the time series, an actual musical score was composed. This music provided rich data in which we could easily recognize coordination patterns in the vaudeville setting as a temporal gestalt. The synchronization of reactions among audience members was represented as forming a chord and time-delayed coordination between performer and audience, which sounded like interchanges. It is suggested that the musical perspective introduced in this study could lead to the development of assessment techniques for a variety of orators that regularly speak in front of audiences.

Keywords: performing arts; appreciation; performer-audience system; temporal gestalt; eyeblink

1. Introduction

In vaudeville settings, story-telling performers and their audiences are mutually interdependent. While the audience often smiles in response to incongruent lines and interpreted gestures, the performer sometimes delivers the punch lines only after audience-initiated smiles and movements. The interactive nature between the performer and the audience forms the basis for the collective emotional experience of the performance. The enjoyment of a live vaudeville performance is not just the fun of listening to jokes. Rather, it is the whole body immersive experience involving audio-visual, cutaneous, and proprioceptive sensations (Nomura & Maruno, 2011). When a performer and the audience share a spatial and temporal field, they collaboratively create one performance. In such situations, they share joint responsibility for the performance through rich interactions that are based on multimodal communication. Although all story-telling performers must know about the interactive nature of their performance at one level or another, there is very few empirical research on this issue, perhaps because of the intrinsic difficulties in conducting such studies.

Developing a method of capturing the interaction between performers and the audience has been an enduring and fundamental issue in research on the performing arts. There are no visible links in actual interactions; therefore, we must recognize phase changes in interactions through representations. Additionally, even if we were successful in making such interactions visible, a critical problem would still remain. It would be difficult for a person to visually recognize the complex temporal gestalt, because of the realistic limitations on cognition. When a picture is drawn to represent a temporal gestalt in interaction, the links among the elements of the picture increase exponentially with the increasing number of interactions, leading to visual representations that become increasingly dense. Therefore, we may not be able to visually capture the phase and its changes along with the time series.

The fundamental and unique idea presented in the current study was capturing phases of an interaction as music. Regardless of the complexity of an interaction, it can be expressed as a superposition of sound waves. Humans can comprehend such acoustic expressions much easier than visual representations and are able to identify such phases as a temporal gestalt. The high-quality resolution of sounds is implemented by the beautifully elaborated inner ear system (Corey et al., 2004). Therefore, I have proposed a method for capturing interactions in a story-telling performance as a musical expression. The method focused on both the performance and audience reactions. It utilized a performer’s movements and quantified audience reactions, based on their eyeblinks when they were watching a performance.
have discussed below, eyeblinks of the audience reflect how members of the audience perceive and interpret a performance. The purpose of the current study was to propose a method that would make the performer-audience system “listenable,” and to test the validity of this method from the perspective of its logical and analytical value for research.

2. Previous research and the current study

2.1 Appreciation of performing arts in vaudeville settings

The inherent and core nature of the performing arts, including story telling, is that the performance is temporally continuous. In the process of appreciating a performance, the audience has to make some particular segments on the perceived performance according to each person’s way of viewing, in order to understand the meaning and give an interpretation. The place where each member of an audience input the segments is arbitrary. However, segmentation by the audience would be coherent among the audience members, if the reference framework for the segmentation is common. Some expert story-telling performers can simultaneously draw many members of the audience into the world of the story, and thereby induce similar emotional responses from the audience. Especially in vaudeville settings, experts prepare clues, not only for understanding the story, but also for smiling and laughing. Experts can then communicate their intention to increase smiling and laughter without directly mentioning their intention. In other words, the performer and audience interact with each other at a meta-communication level (Sanches, 1975). If the audience does not receive the unmentioned message, the performers would modify their own face, voice, or motion in concordance with the audience sensitivity. In this sense, a story-telling performance is not a unidirectional transfer from the performer to the audience, but it is jointly constructed through interactions between the performer and the audience. The audience is not aware that they are attending a bi-directional communication, however, they actually cooperate with it by applauding and whistling intentionally, and by laughing and swaying their bodies unintentionally. Moreover, audience members frequently blink their eyes as an essential response to the performance. Empirical studies on the performing arts have not investigated the role of eyeblinks. Nevertheless, eyeblinks are important in vaudeville settings. It has been pointed out that a decrease (lower frequency) of eyeblinks is suggestive of the allocation of attention (Stern et al., 1984). Therefore, researchers can easily and objectively identify when and how the attention of an audience is controlled by the action of the performer.

2.2 Eyeblink entrainment and speaker-listener coordination

Eyeblinks are usually non-intentional and voluntary, periodic movements. Whereas the periodicity of eyeblinks is driven by internal physiological conditions of each individual, it is altered by external stimuli (Stern et al., 1984). We usually generate spontaneous eyeblinks every few seconds, much more often than necessary for ocular lubrication. Some studies have pointed out that the timings of eyeblinks are related to attentional breaks (Nakano, Kato, Morito, Itoi, & Kitazawa, 2013). For example, when people read a sentence, their eyeblinks increase at the punctuation marks (Hall, 1945). Participants that try to accomplish difficult tasks, also increase their eyeblinks (Stern et al., 1984). In recent years, Nakano and her colleagues have reported a series of new findings on spontaneous eyeblinks in communication (Nakano, Kato, & Kitazawa, 2011; Nakano, Yamamoto, Kitajo, Takahashi, & Kitazawa, 2009; Nakano, & Kitazawa, 2010).

In one experiment, the eyeblinks of participants synchronized when they watched a comedy film. Participants blinked frequently when the main character was absent, when watching scenes in long shot and during repeated presentations of a similar scene (Nakano et al., 2009). Such synchronization was not found when participants watched a background video, or when they listened to a story read aloud (Nakano et al., 2009). Also, it has been suggested that the synchronization of eyeblinks is related to mutual coordination during face-to-face communication. Nakano and Kitazawa (2010) demonstrated “eyeblink entrainment” in situations in which the listeners viewed close-up video clips (with sound) of the speaker’s face. They reported that listeners blinked after a 0.25 to 0.5-second delay after the speaker’s blink. In a following study, Nakano et al. (2011) reported that eyeblink entrainment was not observed in individuals with autism spectrum disorders, who are characterized by impaired social communication. According to Nakano et al. (2011), these results suggest that individuals with ASD are unable to temporally attune themselves to the behaviors of others. In sum, temporal coordination may facilitate effective social communication with others. Therefore, eyeblinks could be an appropriate index for coordinating face-to-face social communication. In this study, I have proposed a method for quantifying interactions resulting from the temporal coordination between the speaker (performer) and the listener (audience) by focusing on the eyeblinks of audience members.
2.3 Design of an ensemble: Making a temporal gestalt listenable

Many audience members would be watching a performance in a vaudeville setting; therefore, a method was devised to identify instances in the performance, when each audience member blinks simultaneously with others, and to adequately express this on a time sequence. In the method, I assigned an arbitrary musical tone to every audience member, such that at each eyeblink, when the audience members close/open the eyelids, the assigned tone would be either on, or off (i.e., a period of blink stroke one sound) along the time course of the performance. Thus, eyeblinks of several audience members would form an ensemble, starting to collectively play a non-intentional music along with the performance. The motion of the performer was also quantified by using background subtraction (Morita, Yamazawa, Terazawa, Yokoya, 2005). Moreover, particular musical pitches were assigned to each equal sized compartment on a screen. The notes implemented in a computer were played when the area-by-area amounts of movements exceed the criteria.

3. Method

3.1 Performer

The performer, Miyaji Katsura, was a male aged 35 years with a four-year career as a professional Rakugo artist. He had received the 27th NHK new entertainer award in 2012 and was one of the most popular young performers of the day.

3.2 Story and conventional rule of performing of Rakugo

In the experiment, he performed the Rakugo story called “Omitate” (“Your Choice” in English, Morio ka & Sasaki, 1990). The story originally appeared in a book around the early 19th century, and was passed down orally. In the story, a young hired hand gets annoyed and plays on both sides of the fence between an egocentric rich man and a high-handed Oiran (a female entertainer). The performer, who took the atmosphere of the audience and the experimental settings into consideration, selected this particular story based on his intuitions. In the story, the performer has to play several characters, since the story is performed by just one performer. According to conventions of the Japanese theater, a person of high rank has to appear at the right to the center of the stage, as seen from the audience (Morisaki & Sasaki, 1990). To represent positional relationships when presenting a dialogue between people of different ranks, the performers have to move their head ceaselessly from left-high to right-low, and vice versa. This technique is known as “Kamishimo,” and it describes how the performer switches between characters.

3.3 Participants in the Audience

Audience members were volunteer participants (N = 20, 10 men and 10 women, aged 16 to 67, M age = 40.6, SD = 16.4), who were all familiar with Rakugo performances. The ratio of members that were familiar with the performer and the story were 35 % and 70 %, respectively.

3.4 Apparatus and procedure

The experiment took place in a laboratory (4.8 meters by 4.8 meters) with a purpose-build stage for Rakugo performance (1.8 meter width, by 1.8 meter length, by 0.9 meter height). At the rehearsal, the director asked the performer to play an actual part of a Rakugo performance, identical to a vaudeville setting. All the participants were invited to enter the room and sit on previously assigned chairs according to the order that participants applied to participate in the experiment. Then, participants were briefly familiarized with the room before the experiment was initiated. The director informed the participants that they would be record during the performance. The experimenters started to record and played the entrance music for the performer. Following this, the performer entered the stage and after he was seated, he made a deep bow and began a prologue called a Makura, meaning “pillow,” which forms the basis for the main tale. Makura has the function of warming up the audience and leading them to the fictional world of the main plot (Morioka & Sasaki, 1990, pp. 26-27). Subsequently, the performer started telling the story “Omitate” which lasted about 30 minutes. This was all done according to the usual formalities and timing of legitimate Rakugo performances. The experimenters recorded sounds and images, as well as audience reactions during the performance. After the performance, the director asked the participants to inform the extent to which they enjoyed and appreciated the performance using a continuous scale ranging
from 0 (no enjoyment) to 100 (full enjoyment). Finally, the audiences completed a questionnaire that inquired about their familiarity with the performer, and the performance, prior to participating in the experiment.

Figure 1. An example of Input and Subtracted image

3.5 Coding and implementing

Each audience member was arbitrary assigned to one musical pitch on the keyboard prepared on the MIDI sequencer software (Sekaju, OpenMIDIProject). The experimenter manually coded the eyeblinks of the audience by using ELAN 4.5.1 (Max Planck Institute for Psycholinguistics, Wundtlaan), which was developed for discourse analysis (Wittenburg, Brugman, Russel, Klassmann, & Sloetjes, 2006). When a member of the audience blinked, the assigned note corresponding to that member was commanded to play. Moreover, when many audience members blinked simultaneously, we could hear the sound of the blinks as a chord. Similarly, if an audience member blinked with a slight time lag, it sounded as a tuplet. Finally, the music that was composed was converted from MIDI to a wmv file for playback using the Windows Media Player.

The motion of the performer was also quantified by using a background differencing technique, which is a popular technique in computer vision processing (Morita et al., 2005, see Figure 1). The screen was divided into equally-sized nine compartments and musical pitches were assigned to each area according to its location. The upper area was assigned to a higher pitch and the lower area to a lower pitch. These sounds had a different timbre from that of the audience. That is, we were able to distinguish between the sounds of the audience and the performer, even if they were identical in terms of intensity and pitch. The sounds for the performer made when the extent of area-by-area movements exceeded 2 standard deviations, indicative of a change that was much larger than usual body swaying. This calculation was performed by using a program developed by the author, based on Visual C++ 2012 and OpenCV2.4.5. The eyeblink music that was composed was then played with a subtracted movie of the performance. Following the quantification, the author manually checked the movie to identify the dominant modularity of scenes where the audience blinked collectively.

4. Results and Discussion

The mean score of enjoyment rating was very high (M = 82.0, SD = 18.09, on a scale of 0 to 100). This suggests that most of the audience highly enjoyed the performance. Each responses of the audience often, or nearly coincided with little time difference. In the current experiment, eyeblinks increased when there were change to the scene, a switch of characters (i.e., Kamishimo), and shortly after the punch line that accompany humorous gestures and facial expression.

Figure 2. SDs of change-detected pixels of each area
The performance and the responses of the audience showed interchanges with each other, similar to leading and following, rather than a perfect on-time synchrony. As the eyeblinks of the audience could be related to their process of allocating attention, these results suggest that the performer loosely controlled whether or not the audience allocated their attention. In other words, a good performance literally “catches the eyes of audience”. The dominant expressive modularity of the performer was movements of both hands. It made the performer appear as a conductor that orchestrated the eyeblinks of the audience. In an extreme instance, we could listen to the music played in accordance with interactions that have not been researched, such as when the performer just moves without saying a word.

Over the years, methods of capturing interactions between an audience and the performer have been a fundamental problem in research on the performing arts. The method proposed in the current study demonstrated that people could easily listen to an interaction as a temporal gestalt (i.e., music). This is owing to both the nature of sound and the innate and elaborate ear system. The method was useful, not because I dealt with a Japanese traditional Rakugo performance, but because eyeblinks inherently relate to the allocation of attention during the appreciation of all kinds of performing arts. This clearly suggests the possible application of the proposed method for quantifying and recognizing interactions in other types of performing arts. It is suggested that this method could help provide factual data on the expertise of performers and their key skills and arts.

References


The Role of Financial Intermediation through Banks to the Economic Activity. 
Case of Vlora’s City

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Abstract

This study examines the relationship between financial intermediation through the banking sector and increased economic activity in the city of Vlora. The literature on economic growth recognizes this regard due to the decisive role played by financial intermediaries, mainly commercial banks, to collect large amounts of savings and use these savings to support the investments. When we chose to analyze the effect of financial intermediaries, specifically of the banking system in the economic activity of the city of Vlora, we had in mind the development of this city as an important part of Albanian economic development today, representing a significant percentage of GDP and of GDP per Capita for this country. The main questions that this study attempts to answer are as follows:

1. If there is an increased access of external financing possibilities, for the private sector, due to the banking sector intermediation?
2. If the availability of banking intermediation in Vlora’s city, provided support for the private sector of this city to grow at higher rates?

In order to obtain the correct answer to these questions there are investigated two aspects in particular:

- The first relates to the bank loans, if they are perceived available as a form of external financing by the private sector in the city of Vlora in order to finance the production and trade activity in this city?
- The second is an attempt to find if bank loans have funded and continue to fund economic growth of firms operating in this city?

Keywords: Banking Intermediation, Economic Activity, access to finance, external financing sources, private sector.

1. Introduction

Debates and discussions, and moreover, the scientific research in our country, with the aim to investigate policy issues, challenges and opportunities associated with the relationship of increased access to finance for the development of the country, are scarce.

There is no doubt that the economic development has occurred. However, the movement toward the achievement of this development has been slow, and in this way it must be promoted a more informed debate within the country between its researchers, analysts and politicians.

This study is a small contribution to such debate and consequently the objectives of this paper are:

1. To promote a debate on specific challenges, faced by the private sector toward development, emphasizing the financial sector – as a priority sector in this regard.
2. To study the role of the banking sector on increased opportunities of the entrepreneurs for their investments toward innovative activities, new methods of production and/or increased production capacity of the company.

The main questions that this study aims to answer are as follows:
1. Does the private sector have an increased access to external financing due to the banking sector?
2. Does the availability of banking intermediation in Vlora, help the private sector in this country to grow at higher rates?

In other words, what relationship exists between banking intermediation and economic development?

Literature Review on this field shows that the Finance-Growth relationship is an old debate of both theoretical and empirical literature. Hamilton\(^1\) has (1781) first introduced the debate by asserting that "banks are the engine of growth". Bagehot (1873) and Schumpeter (1934) had no problem to agree with. The statement was not welcomed by Adams (1819), which came with an opposing view, claiming that "banks (in fact) damage the moral, the tranquility and even the wealth of nations". His view was later revived by Robinson (1952) and Lucas (1988) and other post-Keynesian economists, who drew their models from all monetary issues, and banking was seen as a monetary issue.

The debate then led to four different versions of finance – growth relationship (Graf, 2001):
- neutrality of finance,
- finance retards growth,
- finance follows growth,
- finance causes growth.

Review of theory and evidence shows that there is no definitive basis of theory or evidence of the banking intermediation - growth relationship. This is probably because most of the theoretical basis relied on the Walras’ Law of full information assumption; banks exist because exist the transaction costs, which prevent the agents with deficit and agents with surplus to communicate and break down contracts. The assumption of complete information makes banks irrelevant in theoretical modeling.

Also, theoretical models and empirical results are influenced by the conceptualization of developed economies, where the importance and the role of banks can be assumed to be remote because of the presence of financial institutions similar to banks and of high-level of information spread.

The situation would be different in emerging economies, where banks are in practice the only financial institutions and, they play a major role in the transmission of monetary policy. Thus, banks are essential in the early stages of development for financing growth and for the development of other financial institutions. Banks cannot retard the growth, unless they refuse the competitiveness and the efficiency. Banking development reduces transaction costs and increases the competitiveness and the efficiency, a process that works toward almost complete information. They become irrelevant only if prevails the situation of complete information.

2. A Background on Economic and Financial Sector

This section aims to provide an introductory background of economic and financial situation in Albania, passing in more details toward the economic situation in the city of Vlora. This section also provides an overview of the behavior of the banking sector in Albania, as well as the impact of this sector in our economy.

2.1 Economic Situation in Albania

According to their importance, the sectors which make up Albania’s GDP are:
- Services (trade, hotel and restaurants, transport, post and communications, other services)
- Agriculture, hunting and forestry
- Construction
- Industry (mining and manufacturing)

Services sector makes up the major part of GDP (56.7%), while agriculture still makes up 18.5% of GDP\(^2\). This sector, despite its importance in the formation of the GDP, gives a contribution to its growth by only 1.5%. This

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phenomenon is probably due to a less diversified production and undeveloped. The cause of this phenomenon must be sought in the lack of technological innovation, limited access to bank credit and high fragmentation of the land.

Industrial sector is less developed and constitutes one of the major weaknesses of the Albanian economic system. This sector actually represents only 9.8% of GDP and its 8.7% consists of manufacturing industry, characterized almost exclusively from the production of intermediate products destined for export, and only 1.1% of the mining industry. The latter is very little used, although Albania is rich in minerals.

Many foreign investors, attracted by low labor costs and lack of taxes on investments with high impact on the economy, transfer to Albania a part of their manufacturing (especially textiles, footwear and leather industry).

The main problems belong to the lack of infrastructure, electricity and business climate, characterized by the weakness of the judicial system and of the market discipline and by the presence of corruption in mass, affecting even foreign investors.

The characteristics of the production structure affect even the employment structure. According to data published by the World Bank and INSTAT, in fact 58% of the working population is employed in agriculture, 28.4% in services and only 13.5% in industry. Excluding agriculture, 17% of the workforce is employed in the public sector and 23.8% in the private sector.

Albanian labor market is characterized by significant gender differences. These changes are reflected in the percentage of male and female employees, who in 2008 were 59% male and 43.4% female employees.

2.2 Banks and the Albanian Economy

After the 1997 financial crisis, privatization of banks paved the way for the birth of a modern financial system. It was this system that enabled a rapid explosive growth of financial intermediation in the economy, enabling the financing of private entrepreneurship and economic activity in general. The loan for the economy grew in an explosive manner and this fast expansion of financial intermediation played a critical role in the economic development of Albania, where according to the Bank of Albania, only the credit to the economy has enabled GDP to grow with an average 1.5-2% more per year. Obviously, this period of financial market developments coincided with the period of rapid economic growth, influencing and being influenced by it simultaneously.

But, now most developed economies, are for more than four years in the declining business cycle, while other emerging economies are facing a strong slowdown in economic activity. These international developments touched even Albanian economy, today more integrated, having as main effect the slowing of its development rates. After 2008, economic growth has come at the most minimum of 20 years of transition.

The slowdown in economic activity and uncertainties increased by the crisis affected the financial system, in terms of increased of non-performing loans and fallen rate of lending to the economy. Currently, the annual growth of loans has shrunk markedly, by conditioning the financing of new investments and of consumption. This is not an issue of liquidity, since banking system remains very liquid and one of best capitalized in the region. Loan / deposit ratio fluctuates around 65%, significantly lower than the regional average of 106%, which indicates that Albanian banks still have extend and liquidity to finance the economy, but increased uncertainty in the market have made them (banks) more careful. Easy to understand, the complex economic situation of Italy and Greece, as the main economic partners of Albania, conduct to the uncertainty and nervousness in the Albanian market.

Beyond the expected consequences, the global financial crisis highlighted some early weakness of the financial system, not necessarily of banks themselves, but of the environment in which they operate, such as:

1. Uncertainties related with property titles and weakness of contract enforcement, affecting the increasing of loan with problems portfolio and of uncertainties in the financial system, to which banks responded by adding the caution and tightening lending standards;
2. The complex political situation, especially after 2009, has created an expectation situation in the economy and financial system, and
3. High informality, particularly in the labor market, which hinders fair trial of solvency borrowers, thus deteriorating the quality of the portfolio.

Today, at the Albanian economy, as an economy based on the banking system, develop their activity 16 commercial banks, which are privately owned, of which only two are Albanian-owned banks.

2.3 A Brief Introduction to the Vlora’s Region

Vlora City is included on the region administration with the same name (Vlora Region). The latter is part of the South
Mountain Area, in South-West of Albania. It extends to 2706 km, 1609 km of which belong to the district of Vlora. The region is mostly mountainous with fields and valleys that create opportunities for the population engaged in agriculture and animal farming.

The natural environment in the district of Vlora is the greatest opportunity for economic development and tourism in the region as one of the greatest potentials offered by this district.

Vlora is one of the most ancient cities in Albania with an age of more than 2425 years. It has a population of 210,832 residents and a density of 78.2 residents/km². This region has a favorable position with a junction of roads, sea and air, both inside and outside the country. The area of the city is 2706 km². It is 135 km from the capital city (Tirana) and only 72 km from Italy (Otranto Channel) and 77 miles to Greece (Corfu island).

Tourism is considered as the main sector for the development of the region, to promote the activities of many other initiatives, for creating job possibilities in the region. It is an industry based on human capital and offers a wide variety of jobs for different professional categories, empowering tourism and other economic activities in the region.

2.3.1 Data on Economic Activity Vlora Region

In the district of Vlora, currently, the majority of enterprises is occupied by small enterprises, with Physical Person Status, Ltd, etc. The economic sector with the largest number of enterprises in Vlora District is the trade sector, followed by services sector and restaurants – hotels sector, while the least developed remains the agriculture – fisheries sector.

The following tables provide more detailed information on active companies in the district of Vlora, by status and economic activity, based on information received by the Tax Office of Vlora District:

**Table 1. Active Enterprises by Status in Vlora District**

<table>
<thead>
<tr>
<th>Private Sector in Vlora District</th>
<th>Organisation Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Businesses</td>
<td>Anonymous</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Public Ent</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>NGO-s</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Physical Person</td>
<td>109</td>
</tr>
<tr>
<td></td>
<td>Limited Liabilities Society</td>
<td>1049</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1197</td>
</tr>
<tr>
<td>Small Businesses</td>
<td>Anonymous</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Physical Person</td>
<td>4642</td>
</tr>
<tr>
<td></td>
<td>Limited Liabilities Society</td>
<td>183</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>4826</td>
</tr>
<tr>
<td>Small Businesses with VAT</td>
<td>Anonymous</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Physical Person</td>
<td>674</td>
</tr>
<tr>
<td></td>
<td>Limited Liabilities Society</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>744</td>
</tr>
<tr>
<td>Total of Private Activities in Vlora District</td>
<td></td>
<td>6767</td>
</tr>
</tbody>
</table>

**Source:** Taxes Office, Vlora District

**Table 2. Economic activity by sector and the number of active enterprises in Vlora District**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.  Trade</td>
<td>2843</td>
<td>42%</td>
</tr>
<tr>
<td>2.  Services</td>
<td>880</td>
<td>13</td>
</tr>
<tr>
<td>3.  Hotels &amp; Restaurants</td>
<td>677</td>
<td>10</td>
</tr>
<tr>
<td>4.  Transport</td>
<td>609</td>
<td>9</td>
</tr>
<tr>
<td>5.  Manufacturing Industry</td>
<td>270</td>
<td>4</td>
</tr>
<tr>
<td>6.  Construction</td>
<td>541</td>
<td>8</td>
</tr>
<tr>
<td>7.  Health</td>
<td>203</td>
<td>3</td>
</tr>
<tr>
<td>8.  Agriculture &amp; Fishery</td>
<td>135</td>
<td>2</td>
</tr>
<tr>
<td>9.  Processing Industry</td>
<td>203</td>
<td>3</td>
</tr>
<tr>
<td>10. Others</td>
<td>406</td>
<td>6</td>
</tr>
</tbody>
</table>

**Source:** Taxes Office, Vlora District
3. Methodology

In this paper there are analyzed a large number of data from different companies and industries. Therefore, in this paper we have chosen a quantitative research, to increase the probability of obtaining a more statistically accurate result.

The data used to achieve the purpose of research and its objectives, are not numerical, but they are nominal categorical and ordinal categorical, and then there are performed statistical and mathematical analyzes with these obtained data.

In this paper we will test our hypothesis using primary data collected for the purpose of our research. The data will be handled and analyzed in SPSS, for the statistical investigations.

In this research, with the reason to investigate the relationship between banking intermediation and economic activity:

- The primary data used, are the data obtained from questionnaires distributed to private activities operating in the city of Vlora.
- The secondary data, are the data published about economic and financial situation in Albania in the recent years in country level, but and even at prefecture level, the Prefecture of Vlora, but they are used for the tangent comparison of these data with the results our analysis. The secondary data are taken from annual reports and statistics of the Bank of Albania, and other official institutions, competent for issuing such information.

3.1 The Sample Size

To be able to test the research hypothesis, the sample size should be representative of the population, in order to perform reliable statistical analysis. The type of technique used to select the sample used in this paper is the random technique. So the analyzed companies are chosen at random.

The sample was stratified and the selection was made at random based on the percentage of private activities type, trying to reflect the respective percentages, in order to reduce the statistical error or a wider confidence interval, allowing more representative and more reliable results for the private activities, which operate in the city of Vlora.

Of the total of private activities, registered at the Taxes Office, Branch of Vlora, which in total are 6767, we have chosen a sample of 362 private activities (based on a statistical formula to enable the sample size), divided according to the respective percentages of their types, with the aim that this sample to be more representative. But the result was overturned because of the 362 private activities selected only 200 of them filled in the questionnaires regularly, affecting the number of valid questionnaires taken into consideration for our analysis. And of these 200 respondents, four of them belonged to non-profit associations, or other activities excluded from our study.

During the implementation of research it was intended for the questionnaires to be filled out within June-July-August of 2011 and at the same time to minimize the costs of research in general.

After completing the questionnaires we processed the data, generated by the needed information with the aim to analyze the role of the banking sector to the economic activity in the city of Vlora, and to draw conclusions and recommendations.

4. Presentation and Analysis of Data. The Main Results

This analysis includes a comprehensive study of the financial situation of the private sector in the city of Vlora, of the structure and financing needs of this sector, funding opportunities, as well as expectations for growth of the private sector, based on funding opportunities and obstacles to growth in the city of Vlora. This study extends to a period from 2008 to mid-2011. This analysis includes 200 of micro, small, medium and large firms, which develop their economic activity in the city of Vlora.

According to the importance of the economic sectors in relation to their contribution to GDP, there were identified these economic activities: Processing Industry & Manufacturing Industry, Construction, Production (including electricity, gas and water), Wholesale or Retail Trade, Transport and Telecommunication, Hotels and Restaurants, Real Estate, Other Services for Businesses and People, while Agriculture and Fisheries, Public Administration and Financial Services were excluded from this study. Micro, small, medium and large firms were identified based on their number of employees, and on the basis of their turnover.

We will take into consideration the terms and conditions of bank financing available to the private sector. The aim is to prove the relationship that exists between:
the level of interest rates available to the firms,
- the level of financing costs,
- other costs than interest rates (fees, taxes, commissions, etc.),
- size of available loan, or line of credit,
- the valid loan maturity,
- collateral requirements,
- deadlines and other conditions of financing through banks available to firms, with the consideration of private sector for the bank loans availability as a manner of their financing.

Will try to discover how the terms and conditions of financing mentioned above affected the considerations for the availability of bank loans as a manner of financing, depending on the situation if they are tightened, remained unchanged, or facilitated, during the period specified in the questionnaire?

Also, we will aim to prove the relationship that exists between:
- the impact of needs for external financing for inventories and working capital, with the use of bank overdraft, or credit line as a external source of financing,
- the impact of needs for external financing for fixed investment, with the use of bank loans, credits (excluding overdraft) as a funding source, and
- the amount expected to be taken in order to support the growth aspirations with, the fact that is the banking intermediation the most preferred type of external financing source, if there is a need for external financing, the pursuit these growth aspirations!

We expect to discover that in their decision of choosing external financing source, firms will prefer to use the options offered by the banking sector, regardless of the fact whether the external funds are needed to purchase inventory, or working capital, or to use them in the realization of fixed investment!

4.1 Key Findings of Study

In this section we present the main results of the empirical study. This section aims to highlight in an executive summary, the role of banks in determining the conditions of external financing for the private sector in the city of Vlora. These main results are as follows:

External Funding of Private Sector mainly rely on Banks

In terms of financial structure, the study highlights the sources used for financing, which have been internal funds and external funds. Not surprisingly, the private sector relies on banks when choosing the external sources of funding (42.5% reported having used a bank loan in the last six months and 27% of them reported having used a bank overdraft or loan line). Private sector was less oriented towards other forms of external funding sources, such as commercial loans, other loans, leasing or hire-purchasing or factoring, or other insignificant forms of financing.

However, it should be noted that the above results do not reflect a banking intermediation in accordance to the funding capacities of this sector.

Access to financing has tended to deteriorate in general, while regard to the availability of banking accessibility the research shows an improvement, and according to the firms which have applied for external funding, this application is addressed primarily to bank financing alternatives and, the application has resulted mainly successful. In fact, 61% of those who responded for the availability of bank credit, 33% reported an improvement of this availability, while only 11% considered it deteriorated, and 3% of them considered the bank loan as a non-applicable manner of financing the to the type of activity of their firm (see Figure 4.1).

Figure 4.1

The Availability of Bank Credits

- Improved
- Remained Unchanged
- Deteriorated
- Non-applicable for the type of activity
- Don’t Know/ No Answer

39% 23% 3% 3% 11%
Moreover, based on the responses received on the availability of trade credit, the latter seems to have been deteriorated significantly. 60% of those who responded for the availability of trade loans, only 7% reported an improvement of the availability, 23% claimed for an unchanged availability, while 12% of firms considered it deteriorated, and moreover, 18% saw the trade loans as a non-applicable source of financing for the type of their activity.

In terms of factors that affect the availability of external financing, 80% of all firms, consider that the general economic downturn had a negative impact on this availability.

If we refer to the new applications for external funding, again we verified the tendency of firms to use mainly bank loans and less use of trade loans or of other forms of external sources of financing. Thus (see Figure 4.2),

- 50% of firms said that they have applied for bank loans during the last six months,
- 9% of them did not apply because of a possible rejection,
- 18.5% of them stated that they had sufficient internal funds and therefore they have not applied for any form of external source of financing,
- Interestingly, only 9% of firms which responded to the issue, did not apply for bank loans for fear of a possible rejection.

Terms and conditions of bank loans are important determinants of their availability. In general, most of the firms included in the study reported (see Figure 4.3):

- Increased interest rates (43% from 61% who answered to this question),
- Increased financing costs (41% from 59.9% who answered to this question),
- Increased of the available size of the credit line or of loan (31% from 57% who answered this question),
- Unchanged available maturities of credits (41.5% from 57.5% who answered to this question)
- Increased collateral requirements (43% from 59% who answered to this question),
- Increased of other terms and conditions applied by the banking sector (44% of the 56.57% who answered to this question).

The main determinant objective for obtaining an external funding was for (see Figure 4.4):

- Working capital (47%), followed by Land/ Building or Vehicle Equipment (29%), a low percentage declared other purposes, like for Research and Development or Intellectual Property (1%), Promotions (1%), Staff Training (1%), Purchase of Other Business (6%), other (2%), and 13% did not answer this question
- The economic activity growth in the last three years was proved to have been moderated at a rate lower than 20% per year in terms of employment (31% of firms reported this growth rate), while 23.5% of them reported no growth, and 18.5% reported growth in employment terms at a rate of over 20% for the past three years, and also 18.5% of firms reported small growth in employment terms during three years.
- Also, the economic activity growth in the last three years has resulted to have been moderated at a rate lower than 20% in terms of turnover (48.5% of firms reported this growth rate), while 23.5% of them reported a growth with a 20% rate in terms of turnover over the last three years, 10% of them reported no growth and 15.5% of firms reported small growth in terms of turnover over the past three years.
However, the highest percentage of firms involved in the study, expects a deterioration, non-changing situation, or not availability other forms of external sources of funding, except of financing through banks. Specifically,
- 44% of firms involved in the study stated that they expect an improvement of the situation of bank loans as a source of funding.
- 42% stated that they expect an unchanged situation of bank loans, and
- Only 7% of firms involved in study stated that they expect a deterioration of the situation of bank loans.
- Only 5% of them said that they forecast for the future on the bank loan is that this funding source will result in a not applicable instrument for their activity

Regarding the growth outlook over the next 2-3 years, the private sector appears somewhat optimistic (see Figure 4.5):
- The majority of the firms involved in the study expect a moderate growth of their activity at a rate below 20% per year in terms of turnover (47% of the firms included in the study),
- 30% expect a significantly growth of their activity at a rate over 20% per year, in terms of turnover,
- 16.5% of them expect that their economic activities will remain at the same size in terms of turnover, and
- Only 4.5% expect a deterioration of their own economic activity.
Nearly 32% of firms which preferred bank loan or other bank credits do not foresee any obstacles in obtaining credit, for supporting the growth ambitions.

At the same time, a significant number of firms included in the study, which preferred loan as their main source of external funding, stated that the cost (interest rates or prices too high) (43%), the availability or insufficient collateral and guarantees (16%) represent particularly important concerns.

4.2 Hypotheses

Our two main hypotheses of the study were:

1. Does the private sector have an increased access to external financing due to the banking sector?
2. Does the availability of banking intermediation in Vlora, help the private sector in this country to grow at higher rates?

We used Chi-Square test, to test the above hypothesis for the independence or dependence between variables. Based on this test, the P-value (0.000 in majority of the test) of the below relationships, results to be less than the significance level (0.05), which highlights the fact that there exist a strong evidence of the relationship between:

The improvement in the availability of bank loans and:

- increased decisions regarding to the use of bank loans (new or renewed) as a financing source {with P-value (0.000), and Pearson Correlation Coefficient 0.751 **}, and inversely.
- increase of positive results regarding to the application for bank loans (new or renewed) as a financing source { with P-value (0.000), and Pearson Correlation Coefficient 0635**} and inversely.
- increased of cases, that it was the bank that provided the most recent loan for each of firms included in the study, which aproved that they used external financing sources, { with P-value (0.000), and Pearson Correlation Coefficient 0784**} and inversely.

Compared to all other forms of alternative external financing sources, financing intermediation through banks is considered as the most applied form the most used by the private sector.

Also, bank loans are considered applicable and available to finance productive and trade activity in the city of Vlora. Commercial banks have helped manufacturers to provide machinery and equipment by ensuring their deferred payments. Moreover, despite the needs are addressed to fixed investments or purchasing Inventories and working capital, the type of the most preferable external financing source is through banks. 

But we should take into consideration the private sector responses regarding the amount of funding that expect to borrow for their ambitions of growth.

So since the most of firms had an expectation that their economic activity would increase moderately, the amount that the sector intends to borrow from banks results corresponding to this expectation. Specifically (see Figure 4.6),

- the largest percentage of firms (42%) indicated that the amount of funding that expect to borrow to fund the future growth is less than 5 000 000,
- 32% of them said that the amount of funding expect to borrow to fund the future growth is 5 000 000 - 30 of 000 000,
- 12% of them said that the amount of funding that expect to borrow to fund the future growth is 30 000 000 - 80 million leks
- and only 8% of firms involved in the study said that the amount of funding that expect to borrow to fund the future growth is over 80 000 000.

Figure 4.6
Concluding, financing through banks is the most preferable external financing source to fund the future growth, but, on the other hand, it is expected a slow rate of growth of private sector credit giving a low contribution to economic expansion. The banking sector has even higher capacities to respond to the requests for credit from the private sector in the city of Vlora.

Capital formation is the most important determinant of economic development. Banks are promoting capital formation in Vlora, but it should be noted that their contribution in this direction is not in the preferred rate. Financial intermediation through banks is happening at a lower level compared to the capacities of this sector to support needs financial of the private sector to realize their ambitions for growth.

Thus, financing through bank is enabling entrepreneurs to increase more their short-term assets than investments in innovative activities, or in adopting new methods of production and if so, increasing the productive capacity of the economy.

5. Recommendations

The downward trend of bank credit to the private sector is worrying, since any change in this variable can have a lasting impact on economic production, capital stock and efficiency. Banks need to change this downward trend.

In addition to business loans there are many other services that should be applied in the market; some of them have already been introduced, such as mobile banking, investment funds, etc.

Central Bank and commercial banks should work together to reduce the difference between the interest rate of loans and the interest rate of deposits. This current difference reduces savings in the banking system, encourages the public to hold more amount of money in the form of higher cash and causes inflation increases. The large difference between the loans interest and deposit interest also shows the inability of banks to seek and choose profitable projects, and to monitor their credit portfolios.

People are increasingly involved in the banking system, if small banks have access to the facilities. Our economy is still in the early stages of economic development, and banking, in order to accelerate the development and economic prosperity, should be engines of growth, they should do what the banks did in the early stages, of the developed economies today. So they should be the promoters and financiers of private enterprises in the economy.

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Migration as a Complex Phenomena of Identity and Social Integration: 
A Sociological View on Albanian Migration Case

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Abstract

The end of communism regime and the raise of democratization process helped Albanian society to be ‘open border’ toward all countries in the world, especially toward Western ones during 1990’s. This phenomena was quite new for Albanian society. Migration involves a series of events that can be highly traumatizing of identity and problems of integration. The process involves uprooting, being separated from traditional values, being placed in new social and cultural different situations of hosted countries. So for many migrants, social integration process is not quite easy. Resistance to their participation in society results from language problems and culturally defined behavior that often reinforce stereotypes and prejudices. This situation brought out many challenges in the social identity and integration problems of migrants life in hosted countries. In this paper it is going to be focused on the analyses of Albanian migration during post communist period. Also it will be focused on the recent Albanian migration, emigrants and their integration process in the hosted European societies. Consequently to this, it is going to be focus on the challenges of their social identity during the integration period. Are the emigrants integrated and harmonizing with the European societies or they are just trying to shape their life according to the social, economical and cultural conditions? Or let say that, are the emigrant assimilating their own identity just to be a social actor in the European societies?

Keywords: Migration; Identity; Social Integration; Albanian Migration Case

1. Introduction

Migration process is as old as the world is, but unfortunately not all sides of migration phenomena are recently detailed study in Albanian social sciences. According to Vullnetari, Albanian emigration after 1990’s presents a unique case not only in post-communist Europe, but also more widely, by reason of its massive concentration over a short period of time and its specific features. ‘Van Hear has described it as ‘a new migration order’, King considers Albania a ‘laboratory for the study of migration and development’, while Carletto, Davis, Stampini and Zezza talk about a ‘country on the move’ (Vullnetari, 20). Consequently to this, it is necessary to claim that migration is as important as a complex phenomena in the post communist Albanian society.

The flow of Albanian migration was expended as a huge flood toward different states of the world, but especially toward European countries. The main policy focus of European Union is on managing inward migration, governments may also restrict internal movements and outward migration. But it was not same situation in early 1990’s with Albanian migration. Because Albanian migration situation faced as exodus and was quite different from other migration floods. The literature on migration remains very much state-centred, focused on developed countries and on economic development (especially in European Countries), with little attention to social development and integration issues. Consequently we can say that Gwendolyn and Thielemann stressed that migrants, a common distinction is made between legal and illegal migrants, the former entering their new host country through a legal route (such as a temporary or permanent immigrant visa or a work permit), the latter often being associated with illegal human trafficking and have difficulties on integration in host countries. It is often overlooked that a substantial number of so-called illegal migrants entered their new country legally, but lost their legal status by overstaying their visa (Sasse & Thielemann; 656). The social consequences of the increasing ethnic-cultural diversity of industrialized societies, and more specific the recent upsurge in immigrant influx to European societies (Hooghe; Trappers; Meuleman; & Reeskens; 504)

This situation causes social identity anomalies of migrants. Also, here it is very important to mention that remittances can have a huge economical development impact on sending societies (Haan; 63). Remittances from overseas workers add up to more than US$100 billion a year. About US$60 billion goes to developing countries, exceeding funds from all...
overseas development assistance (Jolly & Bridge; 26). This means that migration phenomena plays an important role to the economies of sending and host societies too. Because, is very important to say that emigration play a very important role not just for reorganization of life, but for society's cultural, social, economical and political perspective. So the migration phenomena seems to be very complex in its form but so simple in idea of migrant to migrate. Not just because of different social, cultural, economical and political reasons but also from the importanse and multi dimensions of migration flow can be identified as complex migration phenomena. So related to these reasons, sometimes the Albanian migrants have been discriminated but they are the most integrated migrants in European countries.

Migration involves a series of events that can be highly traumatizing of identity and problems of integration. The process involves uprooting, being separated from traditional values, being placed in new social and cultural different situations of hosted countries. So for many migrants, social integration process is not quite easy. Most of the time integration brings out social and cultural indifferenties problems. Resistance to their participation in society results from language problems and culturally defined behavior that often reinforce stereotypes and prejudices. This situation brought out many challenges in the social identity and integration problems of migrants life in hosted countries.

While ethnic-cultural diversity and social cohesion are not necessarily irreconcilable across Europe, policy makers might nevertheless be interested in ways to strengthen the social fabric of diversity societies. In this respect, it needs to be remembered that across the industrialized societies, national governments have adopted a wide range of policies aiming at the integration of the newcomers into their host (Brubaker; 96). And indeed, studies have already demonstrated that integration policies have an impact on the incorporation of immigrants into society (Fennema & Tillie; 54).

This paper contains the focus on the explanation of migration phenomena as an important issue in social sciences. Also in this paper is going to be analyze social integration and dilemas of social identity of migrants in hosted societies. And as the sample of migration as a complex phenomena and the social identities facing at migrants it is going to analyze on the the Albanian migrants situation at European countries.

2. Migration as a Complex Phenomena

Migration is a very complex phenomena in the perspective of socio-cultural and economic life. Human migration is the movement of people from one country to another for the purpose of taking up permanent or semi permanent residence, usually across a political boundary. For thousands of years people have migrate to search for food, survive conquer frontiers, colonize new territories, escape from war zone or political authorities and look for new and more rewarding and existing opportunities. People can either choose to move or voluntary migration and be forced to move or involuntary migration. According to a widely used definition, migrants are persons who have been outside their country of birth or citizenship for a long period of time and stay there for different reasons. On the migrant side, one can usefully distinguish three main groups: economic, forced and family migrants, which is a distinction based on the motivations for leaving one’s country of origin. According to me, migrants could not be classified on just three groups because there are so many people who are not forced to migrate but they want to leave their countries for political reason (such as political transition), for education and for a better socio-cultural activities. Joly and Reeves said that migration is often cast as a “problem” to “control” in the domestic politics of richer countries, heightened by recent concerns with “national security' (Engle; 25).

Also in social sciences, the term ‘migrant’ spread an underlying definitional imprecision that blurs the respective fields of study, socio-cultural and policy-making as well as the linkages between these. So we can claim that migration is the moving of people internally within countries, or internationally between countries from sending to receiving countries. This moving may be for the short or long term, for economic, political, cultural or social reasons. It may be regular/legal or irregular/illegal. Migration all over the world is the excepted as documented or undocumented people movement, which are effected by political incorporation, economics, politics or historical associations. But unfortunately the prevailing approach of national policymakers is accordingly one of managing the flow of migrants (Lucas; 71) driven by domestic concerns rather than more global interests or the interests and rights of migrants. The intergovernmental body, the International Organization for Migration (IOM), works under the banner of ‘managing migration for the benefit of all’ and has gained significant support from governments (Jolly & Bridge; 29). Ravenstein saw migration as an inseparable part of development, and he asserted that the major causes of migration were economic. Migration patterns were further assumed to be influenced by factors such as distance and population densities. According to Hein people are expected to move from low income to high income areas, and from densely to sparsely populated areas, that is, the general notion that migration movements tend towards a certain spatial-economic equilibrium, has remained alive in the work of many demographers, geographers, and economists ever since and, as we will see, is also the underlying assumption of
The push of other countries and new hope for the future.

Important to claim that Neo-classical migration theory could not deal with Albanian migration case because the factors that push people to emigrate were not just economic, but an opportunity to escape from Albania, to discover the ‘magic’ of other countries and ‘new’ hope for the future.

Different theories of migration (such as Push and Pull Theory; Neo-Classical Equilibrium theory; Historical Structural Theory; Transnational Migration Theory etc), which mainly focus on the causes of migration and the feedback mechanisms through which population movements, are perpetuated. So the causes and consequences of migration are strongly interrelated, and part of the same general processes of social and economic transformation, the circumstances that cause migration will equally affect migration on development in sending societies. For this reason we can say that migration phenomena’s complexity can be seen also to definitions above. And the complexity is multidimensional and varies according to each migration flood/wave of a country.

The scholarly debate has tended to separate the developmental determinants and effects or impacts of migration artificially from more general processes of social including economic change. There is a clear need to study migration impacts in their wider societal context, and to see how migration as: A process which is an integral part of broader transformation processes embodied in the term ‘development’; but also has its internal, self-sustaining and self-undermining dynamics; and impacts on such transformation processes in its own right (Hein; 2). So, is very important to say that emigration play a very important role not just for reorganization of life, but for society’s cultural, social, economical and political perspective.

The complexity of migration trends in the twenty-first century cannot be ignored. In the past, most migrants came from countries with colonial and specific bilateral arrangements to European and other economical development countries. But the migration profile has been changed during the last decade. There has been a rapid increase in the diversity of migrants as a result of a more interconnected world, with continued economic disparities. The increase in the number of sending countries has resulted in a new ‘super-diversity’ in Europe, with many disparate communities composed of small groups made up of many different nationalities. So consequently to this we can claim the other face of complexity of migration phenomena. The flow of migrants to Europe has also become more complex in terms of movement and legal status. After the fall of communism and the opening of borders of Albanian state, another factor affected the rise of migrations flows. This factor was and still is globalization. Globalization is changing the nature of the migration journey.

According to Hans de Hein, one-way voyages to a new country of settlement, the type of migration which populated the New World, are giving way to more temporary and flexible movements, and a new generation of migrant globetrotters. With cheaper communication and travel, migrants have greater opportunities to maintain links with their home countries, and ‘return’ and ‘circular’ migration is becoming increasingly commonplace. In Europe particularly, an increasing proportion of the migrant population is ‘transnational: that is to say, people working in one country while maintaining a family and social life in another (Hein; 26). According to this perspective is very evident and important to say that the problematic form of migration is reflected to the social relation of one society. So migration is very benefit for the economical conditions but its reflection or symptoms causes the social anomalies for receive and hosted societies too. This phenomenon is seen in social identities of migrants, such as they have e feeling of not belonging in the hosted society but even in their own state. So this feeling is mostly related with integration according to policies of receive countries and sometimes this application may not be totally voluntary.

Migration phenomena’s complexity derives from a number of factors. According to Vullnetari these factors may include origin or destination country perspectives, macro or micro analyses, discipline based approaches, concerns over short or long term impacts, varying types of migration and development spatially and over time and, not least, various ways of measuring the two. Increasing interdependencies of social, economic and political aspects require an approach that takes these global interdependencies into account, but also embeds the analysis in a specific social and geo-historical context relevant to the study (Vullnetari; 35). So as conclusion of this part we can say that social; cultural and even the personal identity of migrants must be fit or involvement of migrants, and their families, in the social, cultural political and economical life of the host country’s conditions. Most of the time these conditions are phrased as social integration of migrants in hosted societies. Migrants may not be complain voluntarly to these conditions. From this point started to be faced the complexity of migration phenomena.

3. Social Integration and Dilemas of Social Identity of Migrants

The concept ‘integration’ is used form social researches in migration field to refer to the degree of involvement of migrants, and their families, in the social, cultural political and economical life of the host country. In everyday language
sometimes the word ‘integration’ is confused by assimilation. But integration does not mean assimilation. Nor does it imply that integration requires adjustment only on the side of migrants. ‘The term ‘integration’ and not ‘assimilation’ is to emphasize respect for and incorporation of differences and the need for mutual adaptation. ‘Integration’ also reflects an appreciation of diversity instead of the homogeneity that ‘assimilation’ has come to connote’ (Fix; 50). Despite some reservation about the word integration the adopts of it are about the discussion because of its wide international usage, the role of quality services in achieving both social inclusion and the successful management of migration. Also Gray claimed that integration is adopted then, with some reservation about the word, as a goal of a migration policy that involves the management of immigration and immigrant settlement. There is an implication that integration is about participation or involvement which takes place to a certain degree (Gray; 131).

From another point of view integration as term, in everyday meaning is variable and highly indeterminate. Is important to stress that its meaning differ according to the pervasiveness in policy in public discourse and meanings that are given from research scholars. ‘Since it is the root metaphor in terms of which successful migrant insertion into ‘host’ societies is imagined ‘integration’ will here be understood to refer not only to the kind of social positioning/ incorporation which an individual migrant might achieve but also and more fundamentally, to specific ways of understanding the social cohesion of the host society’ (Zammit; 170).

At the same time, integration does not mean that emigrants must sever ties to their countries of birth nor abandon their cultures, traditions, values, and identities. For most newcomers, the initial focus upon arrival will be on adoubtion to the host society social life. But sometimes facing the social and economical realities formidable barriers to integration of many migrant. According to Durkheim this is called as the process of integration. Process of integration of migrant is related with social solidarity and social cohesion of hosted societies. So integration is a process that takes time and not all time is successfull for both migrants and hosted societies too. But does this happen same to the migrant to the European societies? Here is important to focus on the Albanian migrants in Greece, where most of them had to change even their muslim names into orthodoxies one.

Integration may be defined as a two-way process where new migrants and the hosted societies members have responsibility for wellbeing and social cohesion of society. This procese require change on both migrants and receiving community, because integration is a dynamic giving and taking process that takes place over time. In responding to migrants’ needs, host societies are unlikely to be able to provide the ideal level of support, constrained by different factors. This factors can be listed as limited economical resources, community need, integration policies, education policies, willing to be integrated on the hosted societies etc. So the migrants have to deal with rooted set of existing values and norms, must accept learning different language, cultural values, traditions and norms, and must accept the different race and ethnicity. For the members of hosted countries they need to accept diversity of migrants for helping social solidarity and cohesion of society. Because the migrant must bear the integration to the society and it will help social solidarity of hosted society. So the process of migrants’ integration depends on the shift in the host societies’ attitudes towards them. Consequently to this situation it transforms the social cohesion by creating a new on from both newcomers and receivers. So migration integration process is not simple and most of the time is accompanied with different social anomalies and identity problems. Migrant integration is a complex concept that is fundamentally tied with debates about the migrants’ role in the sender and hosted societies.

According to social sciences are many factors that contribute to the integration of migrants in hosted societies. But british scholars defined five key factors that contribute to the integration process of migrants.

**Figure 1:** Factors that Contribute to Migrants Integration:

![Factors that Contribute to Migrants Integration](image)

**Source:** (Policy Team; 4)
So migrants have to participate in the society social, cultural and political activities. Also they have to have the responsibilities of being the receive societies members. These will match the social mobility of member of receive society and migrants. But form both parts (migrants and the receive society’s members) tackling extremism and intolerance will not get the integration of migrants integration. According to Migrant Integration Framework Identities are six strategic pathways though which migrants and receive societies collaborate to facilitate migration integration. These pathways can be listed as language and education, economic mobility, equal treatments and opportunity, cultural and social interaction, civic participation and citizenship etc. These pathways serve both as a tool for facilitating integration. These pathways form the dynamic of integration process. Here is very important to stress that general determinants of migrants integration are receive state polices. O one hand the success of integration will conduct with entry rules, membership rules and set entire for integration process. In other hand process of migrant integration must appear several patterns such as language, culture, identity and citizenships of migrants. These patterns form the integration continuum and sometimes non-incorporation. From this issue migrants can face the identity dilemmas. In the following part of this paper we are going to be focus on details about the migrants’ social integration by taking into consideration Albanian migration case.

4. Migration and the complexity of social integration in EU: Albanian Migration Case

The fall of communism in Albania after 1990’s and the raise of democratization bring out opportunities of forming relations of Albania with different countries of the world. The end of communism and democratization process helps Albanian society to be ‘open border’ toward the different countries, especially to European ones. This was the most useful opportunity to run out of Albania for many people. This phenomena first was called as the exodus and later as migration floods. Also we have to claim that this phenoma was quite new for Albanian society. During the post communist period in Albania, people migration has been ‘voluntary obbliged’ from many factors such as political, cultural and economical transition. Because of these factors, it is not wrong to say that this type of migration has been as voluntary as involuntary. There are different factors that push and pull people to migration to different countries especially to European societies. The fall of communism and the change of political regime, there were brought out the very huge lacks in economical budget, low incomes a high rate of unemployment and the abounded of the industry, farms (ferm), cooperation (koperative) and all factories. The economic situation at that time had all the signs of a crisis, the unemployment rate were raising rapidly and "rapid migration" favored the emigration of people of different social classes. Exiting of the lack of policies to encourage and discourage too, illegal (a lot) and legal (less) immigration include informing and assisting potential emigrants with regard to legal migration opportunities, as well as encouraging decentralized cooperation between the local authorities of inter border areas.. According to Iconomy, Albania, after 21 years (according to the study of the World Bank shows that the number of migrants abroad Albania is around 860,485 persons, or about 27.5% of the population) (Ikonomi; 15) are still facing with some migration problems, but there are form policies for bringing social control over the migration and its situations. But according to data from MOLSAEO, there were nearly 750,000 and 1.1 million Albanian migrants living abroad in 1999 and 2005, respectively. The majority of them lived in Greece and Italy (Vullnetari; 15). NID reported that the Albanian migrants’ number is 1.7 million in 2010 (NID; 8). So we can say the number of Albanian migrants in different countries in the world is so high.

Figure 2: Estimates of Albanians living Abroad, 1999, 2005 and 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>1999</th>
<th>%</th>
<th>2005</th>
<th>%</th>
<th>2010</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>500,000</td>
<td>67.3</td>
<td>600,000</td>
<td>54.9</td>
<td>750,000</td>
<td>44.0</td>
</tr>
<tr>
<td>Italy</td>
<td>300,000</td>
<td>27.0</td>
<td>250,000</td>
<td>22.9</td>
<td>450,000</td>
<td>26.4</td>
</tr>
<tr>
<td>US</td>
<td>12,000</td>
<td>1.6</td>
<td>150,000</td>
<td>13.7</td>
<td>400,000</td>
<td>23.5</td>
</tr>
<tr>
<td>UK</td>
<td>5,000</td>
<td>0.7</td>
<td>50,000</td>
<td>4.6</td>
<td>50,000</td>
<td>2.9</td>
</tr>
<tr>
<td>Germany</td>
<td>12,000</td>
<td>1.6</td>
<td>15,000</td>
<td>1.4</td>
<td>15,000</td>
<td>0.9</td>
</tr>
<tr>
<td>Canada</td>
<td>5,000</td>
<td>0.7</td>
<td>11,500</td>
<td>1.0</td>
<td>15,500</td>
<td>0.9</td>
</tr>
<tr>
<td>Belgium</td>
<td>2,500</td>
<td>0.3</td>
<td>5,000</td>
<td>0.5</td>
<td>5,000</td>
<td>0.3</td>
</tr>
<tr>
<td>Turkey</td>
<td>1,000</td>
<td>0.1</td>
<td>5,000</td>
<td>0.5</td>
<td>5,000</td>
<td>0.3</td>
</tr>
<tr>
<td>France</td>
<td>2,000</td>
<td>0.3</td>
<td>2,000</td>
<td>0.2</td>
<td>10,000</td>
<td>0.6</td>
</tr>
<tr>
<td>Austria</td>
<td>2,000</td>
<td>0.3</td>
<td>2,000</td>
<td>0.2</td>
<td>2,500</td>
<td>0.2</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1,000</td>
<td>0.1</td>
<td>1,500</td>
<td>&lt;0.1</td>
<td>1,500</td>
<td>&lt;0.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>n.a.</td>
<td>n.a.</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>&lt;0.1</td>
</tr>
</tbody>
</table>

Source: (Vullnetari; 71)
Albanian migration seems to be as a lake of opportunities and challenges not just for migrants but also for the Albanian society too. Selecting the destination for migrating is related to push and pull factors such as ease of finding work, geographical proximity, ease of entry into the host country, relatives who live in places where they migrate, recognizing the opportunities for education and improvement of professional skills, opportunity to work in their profession and better salaries compared to other countries (Ikonomi, 13). So as we see form the above figure (see figure 2) Albanian migrants had as a target to migrate toward Greece and Italy. The migration and integration policies in these countries were quite different form each other. Greece applied Robert Park Model of integration that is based on the assimilation and homogenization process. The migrant integration policies in Greece were focused on the changing in norms, culture, language and identity (especially religion identity). Greece applied as France nationhood policies for cultural assimilation too. These policies were good just for receiving countries stabilization but not for Albanian migrants. These formed the risk and the complexity of social identities to migrant. Also the stigmatization processes of identity make second generation to feel as the member of any society. Discriminations, misunderstanding, social conflict est. were caused because of formation of these ‘difference’ between migrants and Greek citizenships. These caused the anomic situation of integration and social identity of migrants.

Another place where Albanian migrants’ number is so high is Italy. We can say that Albanian migrants in Italy want to integrate more than Albanian migrants in Greece. This has been caused because the migration policies were based on the Cultural Pluralist Model. This model is based on the application of more tolerance of culture of origin countries of migrants, integration of migrant in receive countries and also ignore the idea of separation. So policies encouraged the maintained of difference of language (for Albanian migrants has been noted that the foreign language has never been an element for not being integrated, because Albanian migrants learn the language of host countries very fast), in culture and religion. These policies made possible Albanian migrants to be more integrated on the Italy.

Nowadays migration and minority policy issues are at the forefront of the political debate in Europe. This make to denote a dynamic and rapidly changing set of sensitive political, economic and social issues that affect domestic and international policy-making. According to Menz, for all the good one of these domestic policies is to encourage open borders and free movement, the political calculation on these issues seems to reflect a different rationale. As we know the EU is founded on the four freedoms of capital, goods, services and people. The last of the freedoms, people, was employed in order to expedite the first three (G. Menz; 742). European integration has led to an increasing role for the EU in the development of immigration policy. But is important to stress that Western European societies are facing a major social and political challenge in the question of managing the integration of old and new immigrants. The warning signs that we have been failing to cope successfully with this challenge have been visible in many events of recent years (Bounfino; Byrne; Collet; Cruddas; Cuperus; Dijsselbloem; Dublet; Einaudi; Hillebrand; Kronig; Pearson; Sik; Ibanez; 35).

Consequently we massively underestimated to what extent ideological, political and cultural changes in the regions where the migrants came from would spill over into our own countries and affect community relations here (Bounfino; Byrne; Collet; Cruddas; Cuperus; Dijsselbloem; Dublet; Einaudi; Hillebrand; Kronig; Pearson; Sik; Ibanez; 36). Here is important to stress the Albanian migrants situation in Greece, Germany, England etc. Where the religion identities must be convert into the Christian religion and to change names into the Christians one. But we have to claim that also for Albanian migrants this situation was not so important, because as the lack of religion identy for many than 45 years brought possibility on facilitating the identity changes. But in nowadays Albania, this manner of integration of migrant must be review again.

On the other hand is important to stress too that European integration has led to an increasing role for the EU in the development of migration policy. In the area of migrant integration policy, the most important development has been the passage of the EU’s Racial Equality Directive (RED) in 2000 (Givens; 73). But this application differ form one state to another. It is very important to say that integration of Albania to European Union is bringing new reconstruction of migration process. According to Brody, the process of migration integration appears to follow one of several patterns. Each of these patterns of integration confronts the issues of culture, language, identity and citizenship in entirely different ways and can be envisioned as lying on a continuum with assimilation falling on one end of the ‘integration continuum’ and ‘non-incorporation’ or separation falling at the opposite end (Brody; 20). The integration of migration within a host country is facing with the ‘integration continuum’ which is the process of assimilation and the acculturation of society. This process brings the challenges to the migrant’s identity’s anomies. For this reason, during all times migrants were challenging with the stigmatization or being optimize on the front stage of everyday life. Their most faced challenge is discrimination on their own ethnicity (such as Albanian migrants in Greece, Farne, Germany etc). Another challenge of Albanian migration is the impact on the domestic and foreign policies of our country and host country. In our country, there are lacks of migrant participation on the political process, for example the participation in voting process. For this reason occurs a reorganization of policies on the attracting of Albanian migrant to participate during the voting process.
But after the candidacy for membership in European Union the Albanian migration flows and migrant consciences have been changed. Because there are formed new policies towards the decrease of discrimination in host country and also in home countries are formed strong policies to protect the Albanian emigrants. ‘Migrant workers enjoy equal treatment with nationals of the host countries for working conditions, payment of social security, union membership, regardless of nationality, race, sex and Religion’ (Për Emigrimin E Shtetasve Shqiptarë Për Motive Punësimi, LIGJ Nr.9668). ‘There is a strong link between the European Union integration process and Albanian emigration. This process plays a very important role in the development of policies and priorities in the field of migration. Conditions of Albanian migrants in host countries to guarantee the rights of Albanian citizens abroad and to facilitate the visa application process. Consequently they are considered as priority task of the diplomatic services of the Ministry of Foreign Affairs and Government as a whole’ (Ikonomi; 15), that the European Integration has brought out cultural pluralist model toward Albanian migrants, especially after the visa liberalization. These models encourage them to speak and learn Albanian language (open Albanian cultural centers and associations in Italy, Greece etc.), to transmit culture, religion, traditions and customs from one generation to the other. The policies of implication make possible the Albanian migrant identity to be safety and non anomic. This reorganization of migration policies during the European integration give opportunities not just to Albania for forming facilities to Albanian migrant, also give opportunities to European countries policies to be respected and to have a benefical citizenships for sending and receiving countries of migrants.

5. Conclusion

Migration involves a series of events that can be highly traumatizing of identity and problems of integration. The process involves uprooting, being separated from traditional values, being placed in new social and cultural different situations of hosted countries. So for many migrants, social integration process is not quite easy. Most of the time integration brings out social and cultural identities problems. Resistance to migrants participation in society results from language problems and culturally defined behavior that often reinforce stereotypes and prejudices. This situation brought out many challenges in the social identity and integration problems of migrants life in hosted countries. The end of communism and democratization process helps Albanian society to be ‘open border’ toward the different countries, especially to European ones. Albanian migrants had as a target to migrate toward Greece and Italy. The migration and integration policies in this countries were quite different form each other. Also the integration problems of Albanian migrants were pretty much in number. Greece applied Robert Park Model of integration that is based on the assimilation and homogenization process. The migrant integration policies in Greece were focused on the changing in norms, culture, language and identity (especially religion identity). Greece applied as France nationhood policies for cultural assimilation too. These policies were good just for receiving countries stabilization but not for Albanian migrants. These formed the risk and the complexity of social identities to migrant. Also the stigmatization processes of identity make second generation to feel as the member of any society. Discriminations, misunderstanding, social conflict est. were caused because of formation of these ‘difference’ between migrants and Greek citizenships. These caused the anomic situation of integration and social identity of migrants.

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As we noted that Albanian migrants faced different challenges not just for integration but also for their own social identity. The complexity of integration is related with the social identity anomies that the migrant are facing in received societies. So as conclusion it is important to stress that integration could not be view just form one point of view, but it must be taken migrants into the consideration and the reviews of migration policies.

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Abstract

Albania, by the end of the last century, was a very isolated country with a centralised economy, small towns, many villages and everything under the totalitarian system. Later on, during the last two decades, the country has experienced many changes. The first one together with the political change from the ‘monopartitism’ to the pluralism system, was the change of the economy, from being centralised into the market-based one. The other big change was the internal migration, people moved from villages to towns. Those changes have both positive and negative sides, which indicated in the balance of the urbanization of a country and in the economy, as well. Recent theories of urbanization have emphasized that it is not an autonomous process, but must be analyzed with the main patterns of political and economical changes. Internal migration, connected with the new landscape of urbanization was developed through three stages since the fall of communism:

- The first phase was dominated by the informal sector.
- The second phase was characterized by consolidation and the emergence of the informal sector to the formal sector.
- The third and current phase consists in strengthening the formal sector and informal regulation of development. The main objective of the third phase will be to formalize and integrate the real estate market.

It is visible the transformation from informal to formal sector and such a development would affect areas of the financial system of a country. Clearly the restructuring reforms have generated economic growth. Financial sustainability is a developed system, which supports and promotes economical development and, a developed economy is connected with the stable financial sector. There is still significant room for improvement in the management of urban planning development, in particular to find a more appropriate public and private interests in land development and the use of both, private and public, property. The questions are connected with the sectors that affect the economical development of a country:

- First, mention construction
- The trade sector
- Infrastructure
- Tourism

The analyses of the above topics are connected with National Economical Integration and Urban Planning.

Keywords: economical integration, urban planning, centralised economy and market-based economy, formal and informal sector, sustainable development, financial sustainability,

1. Introduction

The urbanisation during the 20th century is a global process in which the third world is mostly enticed. Before the 1900s all the growth of the cities was almost towards the west, and the Third World was enlarged during the next fifty years. The population of the cities in general is growing faster compared to the entire world population in the 1975, 39 % of the population lived in the urban areas, this figure is forecasted to be 50% in 2000 and 65% for the 2025¹

The latest theories in the urbanisation have emphasised that it is not an autonomous process, but it should be analysed with the main/principal models of the political and economical changes.

Our nation, Albania, since about 20 years, was known to be an isolated society, a place which has surpassed many changes in a short period of time. The city was too small compared to the modern standards. We will see a transition from a solid economy to a market based economy. In the recent years it is recognised an economic increase and an increase of the population as well. This kind of rapid change has its positive and negative sides which is taken in consideration in the urbanisation of a place.
2. Development

The urbanization, emphasised Harvey, is an aspect of the environment created and caused from the spread of the industrial capitalism.¹

How is this urbanisation transmitted in Albania?

Urbanisation in Albania has passed through three different phases since the fall of communism:

- **First phase** was dominated by the informal sector.
- **Second phase** was characterised by the consolidation of the informal sector and the introduction of the formal sector.
- **Third Phase** or the current consists in the strengthening of the formal sector and the regulation of the informal developments. The main objective during the third phase would be the legalisation and the integration of the real estate market.

The first phase of the urbanisation, between 1991 and the 1997, was dominated by an internal massive migration from the northern and eastern areas and people from the remote areas of the western and the coastal remote areas.

During the beginning of the transition, the Albanian population was 75% countryside - a high percentage for a countrymen population of the XX century. The socialist regime had aggressively pressed the need for shelter. Until 1991, the rented apartments as a states property were the 70% of the urban offer for sheltering. The use/consume of the habitat area was nearly 5 m² per person in the urban areas (compared with, for instance 16 m² per person during the transition period in Bulgaria).²

This phase was helpful as it contributed in the subdivision of the land, in small parcels. During the second phase, the formal sector started to operate mainly in the center of the cities by redeveloping the land occupied from the old buildings. The majority of the buildings constructed by the formal sector were multi store apartments or business headquarters and offices. Consequently, the informal sector continues with the increase of reservation for houses in the form of the detached houses in the suburbs.

In the periurban areas the main concern of the inhabitants is the absence of the regular supply with water, sanitation, electric power, or public transport, and the distance from school and health service centers.

Albanian cities now are in the third phase of the urbanisation, during which the laws and the regulations should be developed and applied so that all real estate - existing or under construction reserve – will be totally formal.

**Fig 1.** A simple sample of comparison is given in the following picture:

![Image of the land recycling process from informal to formal](image)

Picture nr 1 gives a schematic introduction of the transformation of an informal area with a low density to a formal area with a higher density.

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¹ Anthony Giddens “sociologjia” faqe 531
² Evaluation of the urban sector in Albania
Harvey explains that in the modern urbanisation usually the space is restructured, we recognise that this is clearly made evident in our country, the owners of the private houses in the informal areas are established in apartments and they are compensated for their house and their land.

In many other places, the constructors recycle the land by buying formal properties and constructing them.

What is unique for Albania, is the transformation from the informal into the formal, such a development of the areas would indicate in the financial system of a country. It is evident that the reforms of the reconstracting reforms have generated economical growth.

The financial stability is a developed system, it supports and encourages the economic development, also a development economy can do nothing without a developed financial sector. It needs a stable financial sector, which will resist the negative and cyclical developments and external shocks.

Yet, there is enough room for improvement in the management of the urban development, particularly in finding the appropriate solutions for the public and private interests in the development of the land and the usage of the property.

The urban increase will continue, but in smaller amounts, this related with the increase of the norm of the urbanisation in similiar levels in the other European countries. Albania is the only place in Europe which has a norm of the natural increase over 1 percent during the years of (King dhe Vullnetari, 2003; INSTAT, 2002). Furthermore between the years 1989 – 2001, Albania has had a decrease of 3.6 percent in the number of population.

In the 2001, around 600,000 to 700,000, or a fifth of the native population in Albania, is estimated to live abroad, mainly in Greece and Italy. (Carletto et al, 2004).

International migration continued to grow, largely as a result of low wages and wealth differences between Albania and neighbor countries, the public sector, inadequate infrastructure and service provision. Since 2001 the economy has improved steadily.

Fig 2. The absolut number of the population in the city and the % of the number of the population on district bases, 1989-2001

Source: Datas by INSTAT

We see, picture nr 2 and we recognise the central regions and the coastline became the most favourite destination for the internal migration. Between the years 1989 dhe 2001, Tirana and Durrës were at the top of the list of the populated regions which welcomed migrants, absorbed aproximately three quarters of the general influxes of the internal migration.

Fig 3. The central-coastal region is the main position preffered by the migrants

3 Anthony Giddens ' Sociologjia' 537
The increase of the urban population is concentrated. According to the registration of the population with 43 percent, from 238,057 inhabitants in 1989 to 343,078 in the 2001.

**Fig 4.** The urban population could continue growing in the next decade

![Graph showing urban population growth](image)


The natural growth of the urban population will dominate in the demographic growth, such as the cities which welcome most of the new inhabitants.

The Question is that where in the urban system we will have the new growth of the city? According to INSTAT (2004), the population in the districts of Tirana and Durrës, in the next twenty years, will grow from 700,000 to 1,200,000.

This growth of 70 percent is due to the continuous establishment of the migrants who come from the other parts of the country, this combined with the natural growth of the existing population in the region. It is expected the continuous preponderance of the metropolitan zone Tirane-Durres in the system of the city. This should be seen how it indicates in the economic development of a country.

The question is which are the sectors which have an impact in the economic development of a country?

Firstly, we mention that the construction sector of the capital is rapidly developing and it is estimated to take into account up to 25 percent of the metropolitan employment.

The industry is dominated from big firms of the formal sector which construst middle size blocks with appartments of high prices in the city centre, and informal constructors which help in further addings of the detached houses in the urban slums.

Trade sector is growing with a sustainability, and with an importance in the retail sector.

Considering the limited choices for employment and relatively the low costs for starting a business, it is estimated that the commerce constitutes on more than half of all the businesses and a third of employment in Tirana capital.

The infrastructure - is very important for the development of tourism, it increases the efficiency of the private productivity and the distribution of the services of tourism. The figures show an increase of the tourism, but our country is near to other developed countries, here we can mention Greece, Croatia and Turkey, where they have a much more developed infrastructure compared to Albania.
The tourism is a major component in the economic growth of a country, especially in the coastal areas, a stimulus for a stable development. The internal and the external investments would be very important for this development. A strategy of a good tourism management causes the increase of the investments in the private sector and the economic growth of the country. During this time the number of the tourists has been continuously growing, by maintaining nearly the same constant number. The period December- January 2009 compared to the last year period of 2012 there has been of 34% and compared with the year of 2005 the growth is approximately four times bigger. Compared to 2008, in 2009 there are approximately 456 thousand visitors more, who have entered.

Fig 5. The incomes from the tourism in million euros

<table>
<thead>
<tr>
<th>Nr</th>
<th>Viti</th>
<th>Milionë euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2007</td>
<td>1,002</td>
</tr>
<tr>
<td>2</td>
<td>2008</td>
<td>1,170</td>
</tr>
<tr>
<td>3</td>
<td>2009</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Fig 6. The enters and the exits in the boarders of the foreigners and the Albanians

It is expected that the number of the foreigners who will enter Albania will be approximately 1.2 million tourist per year, the incomes will be provided by this sector and they will go around 420 million dollars per year, and will be opened 100,000 working positions up to 2015 year.

- The incomes of the tourism in GDP, is calculated in 3.8 – 4% or around 45 miliard leke.
- The contribution in the tourism in the Albanian economy is around 11%.

These were the three phases of urbanization in Albania which has passed since the collapse of communism until today.

3. Conclusions

- It is unique to Albania from informality to formality transformation. This development of these areas has affected the financial system of our country where restructuring reforms have found economic increasing. It is known that financial stability is a developed system that supports and promotes economic development; also a developed economy cannot do without a developed and sustainable financial sector, in order to resist adverse cyclical developments and external shocks.
- There is still room for improvement of urban management, especially to find a suitable solution to public and private interests in land development and use of property. Urban growth will continue, but the smaller size associated with the increasing rate of urbanization levels similar to other European countries.
- Urbanization is not an autonomous process, but always analyzed with top models in the economic and political development of a country.

References

Anthony Giddens 'Sociologjia' faze 531
INSTAT
Vleresim i sektorit urban ne Shqiperi
The Impact of Oil Development Activities on Environment and Sustainable Development in Fier Area, Albania

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Abstract

In this area, a dynamic technological activity is still exerted, which arrived to evidently influence in around environment with their wastes, making so a dangerous risk for human health and natural. That’s why; this region is classified by the UNDP among the nine hot spots in Albania. The selected surface for study is around 200km2. The oil and gas field of Fier area is considered as one of the less managed zones, because of absence and damages in land, water and air, where the throwing of the oil waste in surface has not permitted the development of pedogenic processes. It has brought the deficit of soil, and consequently the right agrarian cultivation has not been permitted. The light hydrocarbons, which disturbed the two cities, introduce toxic indications in concentration of 3-5mg/l. Among the main problems are the stream waters that have in their composition oil components, such as phenol, different hydrocarbons, tension-active matters, etc. They have years that have asphyxiated the vegetal and living beings in environment pond, as channels, etc. The soil pollution with oil in area has penetrated in the depth of 0.1-1m, as a result the grown plants in land has also absorbed the oil elements. The water pollution has touched the life cycle of the community, so we are challenge with the health problems top them. In accordance with the objectives of the paper is made possible the evaluation of pollution extension, started from the source down to the river and finally to the sea. The purpose of the article is to assess polluted level in oil field of this area and to give the respective recommendations to a sustainable development by minimizing the oil activity impacts to the environment and especially to the living being health.

Keywords: Oil industry, hydrocarbon components, air emissions, Risk assessment, human health.

1. Introduction

Oil industry has been and it still is an activity which has had a direct impact on air, soil, water and, as a consequence, on human health. The impact is further increased, especially when it is missing a clear and detailed management plan, such as the use of oil in the Fier region. It has been a long time since in this region, considerable contamination has been identified. Therefore, it have had huge effects on the health of the community, as we shall see below. The main reasons for such problems have come as a consequence of old technology, amortized equipment, irresponsibility and lack of due sensibilization of the community, decision makers and employees, as well as failure to implement correctly environmental
standards relating the norms of emissions in the air, water and soils. Waters discharged from petroleum industry, have hydrocarbon components in their composition, such as aromatics, tension-active matters, etc., which have harmed living plants and animals in aquatic environment, where they are discharged. The analysis of environmental data and indicators makes it possible to present a correct assessment of the actual environmental situation, based and substantiated in the comparison of such indicators with the ones in national and international level. Observing the environmental and social plight which this community deals with, it is difficult to speak about a sustainable economic development, where, on one side, this region has modest benefits from petroleum industry and on the other side, the cost of environmental contamination they are obliged to deal with is many times greater. Professional illnesses have turned into anxiety for the residents of oil areas. More than 90% of them have been affected from phenols in blood. Hundreds of residents in these areas suffer from health problems. Life expectancy has been reduced sensibly and living in this region has been reduced sensibly and living in this region is becoming more difficult each passing day.

2. Description of the Actual Environmental Situation

There are more than 2000 wells which cover approximately 200km² of the oil field in Patos-Marinza, which constitutes one of the greatest oil fields of Albania (UNEP, 2000). Its source produces, at the moment, 400ton/week crude oil, a decrease from initial production of 2,000tons. Unfortunately, the oil field is a terrible contamination source for the soils, underground waters and air. Severe contamination of soil and underground waters comes from various sources. According to national experts, wells of potable water receive water from a bottom layer of water, which is protected from a non-homogenous clay layer. Oil wells, however, have drilled the clay layer and it is very likely that it allows hydrocarbons contaminate potable water. Such cases have been revealed several times. Sulfuric gas and hydrocarbon emissions contaminate the surrounding atmosphere. A part of the oil obtained during the pre-treatment is anticipated to be recycled. Nevertheless, since the equipment of pre-treatment does not operate properly, untreated waters with crude oil contents are discharged directly into environment and drain into Gjanica River. The Refinery in Ballsh, processes 300,000 tons of oil per year, or less than one third of its capacity. The plant discharges huge quantities of oil in the surrounding environment, particularly into Gjanica River. It is much probable that local private water wells, along the river, be contaminated. One of the reasons for oil spillage into environment is the impossibility of proper operation at the contaminated water treatment unit. As a result:

- huge oil quantities from the oil of Refinery are spilled into the surrounding environment.
- contaminated water, which contains oil impurities, is thrown to a channel, by polluting Gjanica River and it is much probable that it influences local resources of water.
- the refinery emits several toxic pollutants into atmosphere.

Water, which contains oil and oil components discharges directly into the channel, which flows into Gjanica river. In the past, Gjanica River used to provide, through underground communications, potable water by means of private wells by the river. According to local authorities, deposits of crude oil have been identified several kilometers down the flow from the refinery. A visual inspection of the river confirms such problems, and a water sample obtained 2.5-3 kilometers in the bottom flow had oil traces. The refinery also emits sulfur dioxide, hydrogen sulfur, hydrocarbons and carbon dioxide in atmosphere. There has not been duly drafted monitoring or investigation programs in order to assess the level of contamination in the soil and underground waters, in the ground of the Refinery and in the surrounding areas down the stream.

3. The Environmental Condition

Environmental degradation has been the result of accumulated impacts, mainly caused by the lack of an integrated planning in environment management.

3.1 Pollution from air emissions

1 UNEP, Environmental Assessment in Albania, 2000
2 Prof. Asc. S. Guri, Environmental Impact from hydrocarbon activity in Fieri areas, 2005
4 Dr. N. Tole, Environmental impact of oil exploitation activities in Patos-Marina, Fier, 2002
It is often accepted that the main sources of air pollution in the region under study consist of oil extraction and elaboration, oil production, heating used by families, uncontrolled rubbish combustion and transport. Despite the insufficient data quantity, it may be stated that the air quality in Fier is aggravated due to pollution from SO₂, NOₓ, O₃, CO and heavy metals. In the district of Fier, there are no good and proper systems for monitoring air quality. Oil storage in open tanks in the oil field of Marinza contaminates the atmosphere with slight evaporation hydrocarbons. Every day, pumps emit almost 8,000 m³ gas, which contains sulfurs. From this quantity, only 1/5 is used to generate energy for the wells, the other (more than 115 ton of sulfur per year) goes to atmosphere. The surrounding air contains high percentage of H₂S, which causes damages in respiratory tract. In the center of Fier, it is observed a sensible excess of norms for particle content in the air (dust total LGS and fine dust PM 10).

- in the village of Zharrëz in the oil field Patos-Marinza, it is observed a sensible excess (about 2 times) of the content norm for sulfuric gas H₂S on the air, typical for the field of oil extraction. Such excess may be considered problematic for the health of local population.
- we deem that excesses of dust particle contents in the city of Fier are mainly related to the discharges from automobile transport, from the vehicles which use diesel fuel and the dirty condition of roads.
- sensible excess of sulfuric gas content H₂S in the air of Zharrëz village is linked with uncontrolled discharges and failure to pack the wells of oil extraction in the relevant area.

<table>
<thead>
<tr>
<th></th>
<th>LNP (μg/m³)</th>
<th>PM 10 (μg/m³)</th>
<th>PM 2.5 (μg/m³)</th>
<th>NO₂ (μg/m³)</th>
<th>SO₂ (μg/m³)</th>
<th>O₃ (μg/m³)</th>
<th>Pb (μg/m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fier (2008)</td>
<td>238</td>
<td>112</td>
<td>-</td>
<td>33</td>
<td>32</td>
<td>70</td>
<td>0.32</td>
</tr>
<tr>
<td>Fier (2011)</td>
<td>185</td>
<td>89</td>
<td>-</td>
<td>31.5</td>
<td>19.6</td>
<td>76</td>
<td>0.23</td>
</tr>
<tr>
<td>Albanian limit</td>
<td>140</td>
<td>70</td>
<td>15</td>
<td>60</td>
<td>60</td>
<td>65</td>
<td>1</td>
</tr>
<tr>
<td>EU limit</td>
<td>80</td>
<td>50</td>
<td>15</td>
<td>40</td>
<td>40</td>
<td>65</td>
<td>0.5</td>
</tr>
</tbody>
</table>

3.2 Contamination from liquid discharge

The area under study has sufficient water resources which include rivers, underground water and artificial reservoirs. Gjanica and Seman rivers flow across this region. During the past decade, the district of Fier has had almost 13% of population, which moved from rural areas to urban one, and this movement of population has incurred huge problems for water infrastructure. Industrial waters and sewage waters spill directly into systems, where water is collected. Spilled quantity is not measured and the quality of surface and underground waters is not duly monitored. Industrial pollutants are oil and gas extraction, as well as their elaboration. The main activities, which bring more water pollution, are oil extraction (in 100%) and sewage water (in 90%). The Law for water resources (No. 8093/1996) is the main legislation for the management of water resources. According to it, the National Council of Water, including its technical secretariat (as well as other Water Institutions) provides protection, development and use of consistent water resources. Law has also brought the concept of permits, concession and authorizations for water use and discharge of waste water. Although, Laws deals with the inspection and preservation of water resource quality, it does not stipulate very strict conditions for waste discharge.
Tab. 2. Concentrations of contaminants in water in mg/liter (Prof. asc. S. Guri, 2008)

<table>
<thead>
<tr>
<th>Chemical indicator</th>
<th>Fier</th>
<th>Zharrëz</th>
<th>Marinëz</th>
<th>Albanian limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>pH</td>
<td>7.4</td>
<td>6.8</td>
<td>6.9</td>
<td>6-9</td>
</tr>
<tr>
<td>Suspended matter</td>
<td>14</td>
<td>32</td>
<td>45</td>
<td>50 mg/l</td>
</tr>
<tr>
<td>COD</td>
<td>32</td>
<td>70</td>
<td>50</td>
<td>150 mg/l</td>
</tr>
<tr>
<td>BOD</td>
<td>8</td>
<td>42</td>
<td>35</td>
<td>50 mg/l</td>
</tr>
<tr>
<td>NH₃</td>
<td>5</td>
<td>10</td>
<td>8</td>
<td>10 mg/l</td>
</tr>
</tbody>
</table>

From comparison with limit values reported in the table of water quality classification (according to NIVA), we can state that for Gjanica station, waters in this river section are of a quality beyond any standards, where their average values are within the interval 2-4mg/l O₂, while for water stations, waters are of a good quality, hence, with values within the interval 6.4-9mg/l O₂. (Definition of the Ministry of Environment). There is also other waste which includes: semi-solid sludge mixed with oil, which have been collected from atmospheric conditions which have acted for a long period of time, liquid waste with oil, sludge and oil, waste of heavy hydrocarbons which are found all over the resource premises. Liquid and semi-liquid waste localized in the channel present in the resource spot are assessed to be 30,000m³. From our continuous inspections, it has been observed that the water which is used for the irrigation of agricultural cultures is saturated with chemicals, which are harmful for agricultural cultures, by devastating the flora and fauna in the area.

Table 3: Physical-chemical parameters of the discharging waters on decanting oil Plants

<table>
<thead>
<tr>
<th>Chemical indicators</th>
<th>Usoja</th>
<th>Visoka</th>
<th>Marinëz</th>
<th>Gorisht</th>
<th>Albanian limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>pH</td>
<td>6.75</td>
<td>6.20</td>
<td>6.40</td>
<td>6.35</td>
<td>6-9</td>
</tr>
<tr>
<td>Suspended matter (mg/l)</td>
<td>62.50</td>
<td>74.00</td>
<td>52.50</td>
<td>67.00</td>
<td>50</td>
</tr>
<tr>
<td>Oil products (mg/l)</td>
<td>198.00</td>
<td>488.00</td>
<td>166.00</td>
<td>137.00</td>
<td>20</td>
</tr>
<tr>
<td>H₂S (mg/l)</td>
<td>6.15</td>
<td>5.80</td>
<td>6.60</td>
<td>6.10</td>
<td>1</td>
</tr>
<tr>
<td>Nitrites (mg/l)</td>
<td>1.74</td>
<td>0.32</td>
<td>0.23</td>
<td>0.27</td>
<td>0.005</td>
</tr>
<tr>
<td>Nitrates (mg/l)</td>
<td>2.80</td>
<td>3.10</td>
<td>2.25</td>
<td>2.35</td>
<td>10</td>
</tr>
<tr>
<td>Phenols (mg/l)</td>
<td>94.00</td>
<td>43.50</td>
<td>27.00</td>
<td>114.00</td>
<td>1</td>
</tr>
<tr>
<td>Phosphates (mg/l)</td>
<td>1.55</td>
<td>1.05</td>
<td>0.40</td>
<td>1.45</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Source: Dr. Beqiraj I. Environmental problems in Albanian fields of production & processing of the petroleum, 2006

3.3 Contamination from hydrocarbon spillage in the ground

Soil contamination is another severe problem for the area under study, where more than 200km² is contaminated from oil industry. Patos-Marinza oil field and Gjanica River bank are two well-known examples. The deterioration of pipes’ technology used in oil extraction, processing, etc., has caused an immeasurable damage in the past years and in the present. Following preliminary intensive research and consulting with the Environmental Program of United Nations (UNEP) have stipulated nine areas of Albania, considered as “hot environmental spot” due to pollution incurred by industrial installations. Three out of these hot areas are located in the district of Fier: the oil field of Patos-Marinza, the oil Refinery in Ballsh and the Plant of Oil Processing in Fier, TEC and the Plant of Agricultural Fertilizers (Arsenic). The total contaminated surface, only in the oil field in Patos-Marinëz is assessed to be 600,000m². Contaminated soils are obvious in the whole source place; the quantity of soil is assessed to be 180,000m³ (taking into account the surface and the depth of pollution). Oil and layering water in many cases flow into channels outside the territory of wells and groups, since in general, the pits are overfilled.

3.4 Quantities and types of hazardous waste

Every day, from the oil source place in Patos-Marinz there are discharged as a leakage form re than 4-8 tons of gross oil, by contaminating natural environment (ground, water and air), for which the concrete plan for the recovery of this technology, as well as for the mitigation of its impact on environment have not put into practice, yet. From the Ballsh Refinery, it has been evaluated a loss of 7% in production or 22,000 tons of production a year. It is being anticipated a project from the European Committee for the recovery and implementation of a clean technology. In all cases, whatever
technology is used, inevitably it shall be formed a small quantity of hazardous waste. Such waste shall require a safe storage place and this includes a geo-environmental study. The construction of a storage place constitutes one of the main requirements, whose execution takes the city of Fier to another situation, a more favorable one. This means that the Authorities of the district shall work by guaranteeing that hazardous waste should have a special treatment.

**Foto 2.** A view from the oil contaminated soil (A. Guri, 2012)

**Source:** Prof. Asc. S. Guri, Environmental Impact from hydrocarbon activity in Fieri areas, 2008

4. **Identification of Risks on Environmental and Human Health**

Paracelsus stated that “it is the dosage that makes the poison”, because dangerous substances cannot reach the food chain (poultries and flocks are usually fed in the area) through contaminated surface waters. The method for risk assessment is called the “non threshold linear model”.
4.1 Risk assessment

The procedure for risk assessment constitutes in the identification and definition of risks and their potential effects. It makes the assessment of effects which are produced from risks identified as qualitative and quantitative in the aspect of probability that an event can happen\(^5\). It also defines the level of consequences, as well as the assessment of risk tolerance for the personnel, environment, assets and public, comparing the risk level with the relevant criteria of project acceptance. It is based on the principals accepted internationally, taking into consideration other factors, such as health benefits, social-economic factors, ethical issues and environmental considerations. Hence, we have made efforts to determine clearly the objective of risk assessment, or which pollutants present risks up to the assessment of the risk level as the result of food consumption or the effect on people or the relation between touchable dosage and the damage caused, and ultimately the general risk for a particular population.

4.2 Chemical causatives of health consequences

As the result of surface waters, air and agricultural land, the families who live in oil fields are exposed to serious health risks. But, not only. Another reason, the same influential in their health is also the fact that underground waters are much polluted from the oil of wells, pumps, pipelines and pre-treatment equipments. Ways of oil hydrocarbon introduction into human body are mainly through air, as well as food and water. Their metabolism follows the common scheme of xenobiotic metabolism. Hydrocarbons, are initially oxidized in order to form the metabolites of the first phase, including primary metabolites, such as the epoxy, phenols and dihidrodiol and then secondary metabolites, such as diol-epoxy, tetrahidrotetrol and phenol-epoxy\(^6\). The metabolites of the first stage are then joined, either with glutathione, sulfate or glucuronic acid in order to form the metabolites of the second phase, which are more polar and soluble in water than previous hydrocarbons. In the composition of petroleum oils are also included the aromatic polycyclic hydrocarbons, several components of which are carcinogenic substances. Acute toxicity from aromatic polycyclic hydrocarbons varies from moderated to low.

4.3 Clinical characteristics of chronic intoxications

The employees of oil extraction sector, starting from the most unskilled worker to the engineering – technician personnel are under the influence of pollution and the negative effects on their health are rather sensible. Such effects incur numerous and various organic and functional disorders, which influence in the decrease of the ability for work and in many cases from negligence or underestimation to undergo time after time a medical check up, may aggravate the condition up to death\(^7\). Polluting components enter to the organism in small quantities and for a relatively long period of time, causing chronic intoxications as the form which is encountered more often at the employees, who exercise their activity in this sector. In the contingent of employees, where the medical check up has been performed, the most pronounced complaints have been observed in the central and peripheral nervous system, which belong to such disorders of the activity in this system with functional character. The clinical characteristics of such disorders are classified in the syndrome of visceral vegetative asthenia, with headaches (Cefalea), often continued with a moderate intensity, aggravating sense in the back area of the head, fatigue, loss of attention, lack of concentration, often sleepy condition, disorder in the mood, reduction of memory, sweating palms and soles. Cefalea has been present in 86% of cases. This condition is subject to seniority (years) at work, level of pollution, as well as profession. More pronounced it is at cleaning and sludge workers than at other professions, as well as those who have more than 10 years of work experience, and less at workers with a wok experience of up to 5 years. Cefalea constitutes the periodic symptom of asthenias and has a different character from cefalea and other pathologic nature. It becomes more pronounced with the increase of physical and mental pressure, particularly during the night shift. In most cases, it is fixed the sense of general apathy; as a consequence, headache becomes more pronounced and continuous, reduction of attention and sight, both near and far away, photophobia and redness on eye. Such a syndrome constitutes a toxic encephalopathy or the so-

\(^5\) Nicholas K.COCH, Geohazards Natural and Human, 1995;
\(^6\) WHO, reducing risks, promoting healthy life. The world health report 2002
\(^7\) Corensen I., Covello, Risk analysis: A guide to principles and methods for analyzing health and environmental risks, 1989. UNEP/IPCS Training Module No. 3, Human Risk Assessment;
called “Toxic Cerebroasthenia of Oil” and it is followed by organic alterations in the central nervous system. Oil hydrocarbons also give sharp functional disorders in the liver, which is expressed with fat deposits, with hiperalbuminemia and hipergamaglobulinemia. Furthermore, in the cases which have been examined, it has been encountered reduction of glycogen in the liver, as well as the reduction of anti-toxic function, glyco-regulating of albumins. Sick employees complain for the dry sensation in the throat, as well as bitterness in the mouth, especially in the morning, thirsty for water at night, etc. Moreover, along the study of several cases, dyspeptic disorders have been encountered as well. From the complaints which are related to the disorders in the functions of food digestion, predominant are the following: lack of appetite, pain in epigastria area, heartburn, etc.

Respiratory injuries occupy an important place at workers of the oil system. They manifest themselves in a number of subjective complaints such as cough, runny and dry nose, toracalgia, laeringite, etc. The diseases that predominate are: chronic bronchitis, chronic bronco pneumopatities associated with a considerable amount of respiratory, ventilator, restrictive insufficiency, obstructive and mixed which make up 66% of the cases checked. The patients, who were presented in a severe health condition, were hospitalized and they were treated and then they recovered or improved. This constitutes 34.6 % of the cases checked. In the contingent of checked people, there were also observed professional sickness of skin, such as dermatitis, skin burn. Dermatitis and professional acne constitute 2.7% of examined cases. Acne, which is otherwise called the acne of oilmen, appears in the form of a red pimple, in forearm, thigh, bones, etc. Such pimples block fat glands, closing the pores and they do not allow the extraction outside of their production. In this way, the skin in certain areas seems to be as sprinkled with black spots. If not treated in time, the illness may be complicated causing infections in the skin. Oil components incur injuries even to sexual virility. In the contingent taken for this study, it resulted that this phenomenon was present in 17.8% of cases. It appeared over the age of 40 years old, but even some cases under this age are not excluded.

4.4 Statistical analysis of health data

Oil field Patos-Zharrëz-Marinëz-Sheqisht, has always been and still remains a serious and threatening risk for the health of employees and residents of the area. From the analyses performed and from the medical check up, it resulted that 6.000 residents who live in this oil field result with a high percentage of toxic in blood (carbon), as well as affected by various professional and chronic illnesses, such as the diseases of respiratory tract, chronic bronchitis, asthma, pulmonary cancer, anaemia, ischemia, cardio-vascular diseases, as well as arterial hyper tension (HTA) (Dr. K. Stoja 2009). Data according to age-groups.

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitalized residents</td>
<td>6</td>
<td>11</td>
<td>28</td>
<td>15</td>
<td>16</td>
<td>2</td>
<td>16</td>
<td>15</td>
<td>21</td>
<td>30</td>
</tr>
</tbody>
</table>

Allowed norm for fenolurina is > 50 mg/l. In cases when it is more than 50mb/l, pathologies appear in organism.

5. Policies Which Lead to a Consistent Development

5.1 Overcoming the situation

The group of authors proposes that, in this region, be implemented the action plan for the sensibilization of public opinion, residents, private activities, or an action plan for the management and administration of dangerous waste, industrial waters. On the other side, it is required a plan for training the employees in oil sector for the elimination of oil waste discharge. It shall facilitate the development of agro business, tourism and ecotourism, which takes the region towards a consistent development.

5.2 Policies which lead to a consistent development

Since our territory is considered the most polluted due to a series of drainage and irrigation channels, there are still many sources which contaminate the environment, such as oil wells, oil pits, accumulation groups, oil sludge plants, stations of oil transport, leakage from the cracks of oil pipelines and the plant of oil processing would require that the technology and
equipment be used nowadays, in the industry of oil extraction and processing comply, with the requirements for environment protection.

Except for surface spillage in the region, there is 85-90% of gas produced as emission in atmosphere (in the source place called Sheqisht, i.e., it is produced approximately 170,000Nm³/month gas and in the source place Patos approximately 130,000 Nm³/month), which should be necessarily used as combustibles, and gas separators be put into operation.

An ecologic and engineering control requires that emissions of other gases, in particular days and times, such as that of H₂S, or emissions of dissolved gas in oil waste deposited in the so-called ecological pits, which in the presence of humidity form respective acids. These one have considerably damaged the olive plant or vineyard in this area. For the first case, it is required the systematization of gases collected in pipelines and then can be used for village home utilities and for the second case, it should be considered the form of recycling for waste oil or the final closure of such pits.

Supplying with potable water is made from the network of utilities. On the other side, approximately 80% or more of the wells which produce oil have kezinge (ring spaces) out of function. It increases the possibility of underground water pollution. So, the village people would be better to use the potable water from the network of utilities and not from the use of underground waters, which the residents acquire from the wells drilled in their gardens.

6. Reduction of Negative Impacts and the Need for Monitoring

6.1 Measures for the reduction of negative impacts

Since the pollution in the waters of Gjanica River is rather concerning, it should not be allowed their discharge into surface waters, without bringing them to a permitted level. Negative impacts may be reduced by reconstructing equipment, machineries, as well as the pipelines and reinforcements for the elimination of oil and gas spillage. It may continue to be further reduced, if maintenance services are regularly carried out at the wells for oil extraction, which include the change of reinforcements, valves and pipelines. Or, if it is not achieved the disciplining of discharged waters from oil and gas through proper canalizations (drainage and culverts with plastic pipes). A mitigate of negative impacts on environment is also the way of separation for oil, gas and water, by means of separators in various constructions. After this phase is over, it could be made the substitution of contaminated soil with a clean one, and then after it is made the levelling of territories, the forestation and the rehabilitation with decorative trees.

6.2 Requirements for self-monitoring

Monitoring is a continuous function which uses systematic data collection on a certain number of indicators, in order to provide with them the environment parameters management. It also gives to the actors, interested on the development of a program, the level of achievement for objectives and the progress made in using certain funds. Hence, monitoring includes regular follow-up of activities, inputs, results and products, as well as impacts of a program or project. Improvement of information availability and analyses on air, water and soil would provide the basis for the whole further environmental planning relating this sector. One of the greatest challenges for air improvement in the region is the construction of the required technical and institutional capacities for air monitoring. There is no available and complete information for air emissions, air concentrations, pollution sources, exposure and effects on health and their connections. This would also require the installation of a control stations in Ballsh in the top of Gjanica River, as well as after the discharges of the industrial complex in Fier, in the exit from the city. On the other side, these would require that a central environmental laboratory be established in Fier in order to perform controls on polluting parameters.

7. Conclusions and recommendations

7.1 Conclusions

Oil industry has been and still is an activity which has had a direct impact on air, ground, water and, as a consequence, on human health. It has been long times since in the Ballish-Fier region, there have been revealed considerable contaminations in the environment, with severe impacts in the health of the community.

Waters discharged by the oil industry have hydrocarbon components in their composition, such as: aromatics, tension-active substances, etc., which has damaged living plants and animals in aquatic environments, where they are discharged.
Analysis of environmental data and indicators makes it possible for us to give a correct assessment of the actual environmental situation based and substantiated on the comparison of these indicators with those in national and international level.

Observing in the light of environmental and social environment, which this community deals with, it is difficult to speak about a sustainable economic development, where, on one side, this region has modest benefits from petroleum industry and on the other side, the cost of environmental contamination they are obliged to deal with is many times greater.

Professional illnesses have turned into anxiety for the residents of oil areas. More than 90% of them have been affected from phenols in blood. Hundreds of residents in these areas suffer from health problems. Life expectancy has been reduced sensibly and living in this region is becoming more difficult each passing day.

7.2 Opinions to be taken into account

- To be established an isolated location for the collection of bituminous sand, (oil sand) in order to store and preserve it, so as to use it for the adjustment of infrastructure, where pits shall be covered.
- To be made possible that the territory be fenced and wooded.
- To be established an isolated location for the collection of contaminated ground, then to be stipulated where they shall be relocated, processed and destroyed.
- To be established a small commune sector in order to carry out the works for planting and maintaining the infrastructure, which shall also involve a specialist for plant agriculture.
- To be established a modern healthcare centre for the check up of service personnel, as well as for the residents in the surrounding area.
- To be kept under control the presence of hydrocarbons of the series: benzene, toluene in aquatic environment, as these substances are carcinogenic.

8. Acknowledgements

A great number of specialists, organisers and private and juridical persons contributed for drafting the present article. We take the occasion to express our acknowledgements for the Commune of Zharrez and the Municipalities of Fier and Ballsh, which not only welcomed us, but also contributed for the provision of the basic data on the oil extraction activity and its impacts on environment and on the health of the residents. We wish to thank the Ministry of Environment, Tirana for the facilities it offered to us in the field of collaboration, in order to obtain several additional data on the management of oil waste, such as the national strategy, etc. We take the occasion to express our gratitude for the resident of the surrounding area, who with their availability, facilitated the collection of several questions and the additional collection of information on civil perception relating the impacts of oil research near their buildings. At the same time, we express the gratitude for those specialists, notwithstanding the physical presence, especially for the present auditing, whose ideas expressed in publications, conferences, lectures, have managed to assist us in the configuration and requirements of this auditing, such as Prof. Dr. A. Mullaj, Dr. K. Stoja, etc.

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Challenges of Companies Operating in BoP Markets. Case of Albania

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Abstract

Near a decade ago, business academics C.K. Prahalad and Stuart Hart presented in their working paper a revolutionary concept of doing business in the world’s poor markets known as the Bottom of Pyramid (BoP). These authors made the observation that about 4 billion people remain excluded from the system of the global economy. The world is experiencing a shift of power from the traditional industrialized countries to the so-called developing countries, already home to 80% of the world’s population and with a combined GDP that surpasses that of the rich countries. The BoP concept encourages corporations to take into consideration this segment of the population, and consider this market as an opportunity to explore the untapped potential it presents. In this context, the BoP market represents a multibillion-dollar marketplace, which still remains unexploited from multinational or local companies. Maturing markets, floundering business models and insecurities about the characteristics of future customers, could be some of the reasons why corporations should pay attention to the BoP market. The market opportunity here is not just the wealthy few in the developing world, but the vast number of aspiring poor who are joining the market economy for the first time. The purpose of this paper is to review the existing literature on BoP and show some of the principles and techniques that Albanian companies might use in this segment of the market and how they cope with these principles.

Keywords: Business strategy, social business, partnership, inclusive business, innovation, poverty reduction

1. Theoretical Background

Near a decade ago, business academics C.K. Prahalad and Stuart Hart (Prahalad & Hart, 2002), presented in their working paper a revolutionary concept of doing business in the world’s poor markets known as the Bottom of Pyramid (BOP). Since then, this working paper has been an important reference to a series of academic and business articles all over the world, some them writing in a critical way (Jenkins, 2005; Karnani, 2007; Crabtree, 2007). These authors made the observation that about 4 billion people remain excluded from the system of the global economy. According to (Engel, 2011) "The world is experiencing a shift of power from the traditional industrialized countries to the so-called developing countries, already home to 80% of the world’s population and with a combined GDP that surpasses that of the rich countries". It is also estimated that by the year 2050, more than 3 billion additional people will be living in what is now described as the developing world. Even though, in recent decades, a substantial progress has been made, inequity and poverty still remain a serious challenge for the development of a sustainable global stability. Poverty has many dimensions: about a third of the world’s population lives on less than US$ 2 a day and many suffer from malnutrition, lack of access to health services, sanitation, electricity, safe drinking water, shelter or transportation (Engel, 2011). In a report of the World Economic Forum (WEF, 2009) prepared in collaboration with Boston Consulting Group, the situation of the BOP market is as shown in Figure 1. In this figure different segments of the BOP market are shown, based on income.

1 The World Economic Forum is a Swiss nonprofit foundation. It is an independent international organization committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas.
Figure 1. Segments of BOP market on the basis of income


According to this organization: "Base of the pyramid" (BOP) is a collective reference to 3.7 billion people populating the lowest income strata in the world. The income threshold for this group is US$ 3,000 per person per year (in 2002 PPP$), or roughly US$ 8 per person per day. Within this group are the “next billions” – a large group of consumers, producers and entrepreneurs who can be profitably engaged or served by business, albeit with new and innovative approaches. Within this report, the term "next billions" refers to the members of the BOP whom business has the opportunity to engage in the near term. If the usual development path is followed, meeting the basic needs of a growing and increasingly urbanized population will exponentially increase the demand for energy and natural resources, thereby further exacerbating the pressure on the world’s ecosystems. This means that business as usual is not an option (Engel, 2011). It is also important for all the stakeholders involved in the BOP market to know where this market is mostly concentrated and where are the people of the BOP market living all over the world? The answer of this question could be shown in Figure 2 (WEF, 2009). As it can be seen in this figure, people living at the BOP can be found all over the world, yet they are particularly concentrated in a few areas. India and China alone account for 60%. Asia, Africa and Latin America together account for 94% of the total BOP population. Africa has the highest share of the poorest segment – only 65% of Africa’s BOP population is above the World Bank’s US$ 1 a day poverty line, compared with more than 86% in Latin America. The majority of the BOP live in rural areas (68% globally), which adds to the complexity and costs of reaching them (WEF and Boston Consulting Group, 2009).

Figure 2. World concentration of people living in BOP markets

The BOP concept encourages corporations to take into consideration this segment of the population, and consider this market as an opportunity to explore the untapped potential it presents. In this context, the BOP market represents a multibillion-dollar marketplace, which still remains unexploited from multinational or local companies. Maturing markets, floundering business models and insecurities about the characteristics of future customers, could be some of the reasons why corporations should pay attention to the BOP market. The market opportunity here is not just the wealthy few in the developing world, but the vast number of aspiring poor who are joining the market economy for the first time. Multinational companies must recognize that the bottom of the pyramid poses a fundamentally new question: How to combine low cost, good quality, sustainability, and profitability at the same time? This topic has been the core of several conferences and a growing number of authors, researchers and organizations are using the term BOP in their writings (Hart, 2005; Hart & Christensen, 2002; London & Hart, 2004; Prahalad, 2004; Rangan, Quelch, Herrero, & Barton, 2007). Even more important regarding this issue, is the fact that interest and support of BOP ventures is increasingly occurring in the real life businesses. These ideas are crossing sectors, as organizations in the private, non-profit, and development communities are interested in applying BOP ideas to their new initiatives (Gardetti, 2007). Interestingly, while much debate and most of the writings on this perspective have centered around who is in the BOP (Hammond, Kramer, Katz, Tran, & Walker, 2007) and how BOP ventures need fundamentally new market entry strategies (Hart, 2005; Hart & London, 2005), a deep exploration of the poverty alleviation implications has lagged (London, 2007b). Many authors attach BOP strategies to poverty alleviation policies, so what has not yet been fully articulated is how this perspective differs from other market-based poverty alleviation approaches, and thus, how its poverty alleviation outcomes may be different (London, 2007).

In this context, organizations and researchers have elaborated a series of strategies for BOP approaches to be successful where the key word is innovation. This market segment presents different characteristics from those of traditional markets. Often, low quality products at a lower price are one of the ways in which a company can access this market, but this could not be a sustainable and reliable strategy. The transformation of the bottom of the pyramid and the creation of a new and emerging market requires a total transformation of managerial practices in established MNCs. The traditional 4 P's of the marketing, product, price, promotion and placement needs to be re-engineered exclusively for the bottom of the pyramid (Sabeeha 2011). Ideas and suggestions on how and which organizations might engage with the BOP market, have been the core subjects of different researchers as well as activities of NGO-s and corporates (London, 2007; Seelos&Mair, 2007).

Muhammad Yunus, Nobel prize-winner and founder of microcredit Grameen Bank in Bangladesh, expresses in his books the belief that any progress by the BOP will only come through an equal partnership with companies, who while prepared to be involved commercially, would be satisfied with less than profit maximization. In one of their articles (Wille and Barham, 2009) using a pilot study, try to give some comprehensive samples of business activity at the Bottom of the Pyramid in the developing world. They give some models of business involvement in the BOP. According to Academics at Cornell University, three working models could be used for engaging with the BOP (Wille and Barham, 2009):

- The provider model, which works on normal business principles, where the company determines what products and services to sell, consistent with their core competencies
- The empowerment model, where the company listens to the potential customers and adopts its products to the needs as seen by the BOP customers.
- The partnership model, in which the company enters into a joint venture with a BOP community to co-create a business to be decided upon by both parties and to be run jointly until the community members are able to take full control.

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2C. K. Prahalad , Stuart L. Hart Strategies for the Bottom of the Pyramid:Creating Sustainable Development www.nd.edu/~kmatta /mgt648/strategies
3C. K. Prahalad , Stuart L. Hart Strategies for the Bottom of the Pyramid:Creating Sustainable Development www.nd.edu/~kmatta /mgt648/strategies
2. Implementation of BoP Strategies in Practice

Several companies and organizations have already approached the BOP market using different strategies based on their profile and market needs. Terms used on the projects of these institutions like "inclusive business strategies" or "base of pyramid" and "social entrepreneurship" etc., all have in their roots the BOP market concept. One of these initiatives (for e.g.) is the UNDP's "Growing Inclusive Markets" (GIM) project which is "a UNDP-led global multi-stakeholder research and advocacy initiative that seeks to understand, enable and inspire the development of more inclusive business models around the globe that will help to create new opportunities and better lives for many of the world’s poor". Companies like Starbucks, Unilever, Coca Cola, Wal-Mart and many others have already engaged in business strategies to BOP market. The websites and annual reports of fortune global-500 companies show that nearly all of them are to a certain extent serving the poorest of our world, the so-called “base of the pyramid" (Grootvelt, 2009). Other organizations, like the World Business Council for Sustainable Development (WBCSD) 7, Netherlands Development Organization (SNV) and International Finance Corporation IFC) 8, have already developed and implemented different projects and strategies for companies to successfully operate in the BOP market. In order to be successful, these strategies must create a win-win situation between companies, suppliers, and community as shown in Table 1. As it can be seen from this table, a successful path for a company in the BOP market can be achieved in collaboration with suppliers, partners, distributors and consumers. Key words for the strategy of the company to take into consideration are: product innovation, fair trade markets, access to quality products, affordable prices and increased productivity. On the one side, inclusive business models aim to provide innovative solutions to supply affordable products and services to meet basic needs of the poor for water, food, sanitation, housing and healthcare. On the other side, they are also about creating income and employment opportunities for low-income communities—either directly or through companies’ value chains as suppliers, distributors, retailers and service providers (Engel, 2011).

Table 1. Benefits of inclusive business

<table>
<thead>
<tr>
<th>With Partners, Suppliers And Distributors</th>
<th>For The Company</th>
<th>For The Low Income Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure supply of raw materials.</td>
<td>Fair prices and conditions</td>
<td></td>
</tr>
<tr>
<td>Traceability and quality control of raw-materials.</td>
<td>Assured sales.</td>
<td></td>
</tr>
<tr>
<td>Lower transaction costs.</td>
<td>Employment creation and expansion</td>
<td></td>
</tr>
<tr>
<td>Shared risks.</td>
<td>Training and technical assistance</td>
<td></td>
</tr>
<tr>
<td>Access to knowledge and local networks.</td>
<td>Technology and knowledge transfer</td>
<td></td>
</tr>
<tr>
<td>Better relations with government.</td>
<td>Access to financing</td>
<td></td>
</tr>
<tr>
<td>Strategic positioning in new fair trade markets</td>
<td>Participation in a business and investment environment</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>With Consumers</th>
<th>For The Company</th>
<th>For The Low Income Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to new markets</td>
<td>Greater access to quality products and services</td>
<td></td>
</tr>
<tr>
<td>Increased income.</td>
<td>Lower and more affordable prices</td>
<td></td>
</tr>
<tr>
<td>Transfer of product innovations to existing markets.</td>
<td>Better quality of life</td>
<td></td>
</tr>
<tr>
<td>Increased brand value and positioning in order to capture new markets</td>
<td>Increased productivity</td>
<td></td>
</tr>
</tbody>
</table>

Source: SNV and WBCSD, 2008: 13, (Jenkins, Ishikawa, Geaneotes, Baptista and Masuoka, 2011: 2 – 3.) in a report for IFC, represent these business models included in the IFC portfolio as shown in Table 2.

7 The World Business Council for Sustainable Development (WBCSD) is a CEO-led, global coalition of some 200 companies advocating for progress on sustainable development. Its mission is to be a catalyst for innovation and sustainable growth in a world where resources are increasingly limited.

8 IFC is a member of the World Bank Group and invests in the private sector. In 2011, IFC invested $12.2 billion in 518 projects, of which $4.9 billion went to the poorest countries eligible to borrow from the World Bank’s International Development Association. We also mobilized an additional $6.5 billion to support the private sector in developing countries.
### Table 2. Business models in the IFC’s portfolio

<table>
<thead>
<tr>
<th>Business Model</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Distribution and Retail</td>
<td>Reaches base of the pyramid (BOP) end consumers who tend to make small, frequent purchases close to home by leveraging and effectively serving existing retail outlets in the neighborhoods where those consumers live. Such outlets are often small, with little space for excess inventory, and run by staff with little business training, scarce working capital, and no access to finance. They need small, frequent deliveries and the ability to buy on credit. They may need custom assortments and/or small-sized products (e.g., airtime cards in small denominations) or pay-per-use services (e.g., minutes of shared mobile phone use) that match BOP consumers’ limited, sporadic cash-flows. Many companies using the Micro Distribution and Retail model also provide business skills training and other forms of support to help such retail outlets increase sales, recognizing the link between the outlet’s business success and the company’s own.</td>
</tr>
<tr>
<td>Experience-based Customer Credit</td>
<td>Generates additional revenue in the form of interest income through lending to customers the company knows are credit-worthy through experience doing business with them in the past—rather than formal credit histories. The model is generally employed by companies outside the financial sector, though some may have credit arms or subsidiaries. Some companies focus on their direct customers. One company lends to its customers’ customers as well, based on the experience its customers have had with those people in the past (and leveraging their existing relationships to help incentivize repayment). The model is predicated upon limited access to other sources of credit at similar rates or for similar purposes.</td>
</tr>
<tr>
<td>Last-Mile Grid Utilities</td>
<td>Extends grid coverage to more distant and often lower-income neighborhoods through a combination of financing, technology, and customer service innovations that help cover capital expenditures, minimize technical and commercial losses, and ensure customers pay on time. The model is based on a clear value proposition to the consumer: greater quality, reliability, convenience, and in many cases, lower cost compared to previously available, often informal utility options.</td>
</tr>
<tr>
<td>Smallholder Procurement</td>
<td>Turning geographically dispersed smallholder farmers into reliable sources of quality supply through efficient aggregation methods and customized packages of support services that build capacity and loyalty. Common support services include agricultural extension, business development, access to agricultural inputs, and credit. Sometimes, buyers choose to focus on higher value crops capable of earning a premium in the marketplace to help cover the cost of such support.</td>
</tr>
<tr>
<td>Value-for-Money Degrees</td>
<td>Makes university education accessible to all through a combination of innovations that increase affordability and value for lower-income students. To increase affordability, these universities use standardized curricula that can be taught by part-time instructors, accessible physical and virtual campuses that reduce students’ transportation costs, modular programming that matches cash flows and access to student loan financing. To create value, they offer course content and career services tailored to the job market.</td>
</tr>
<tr>
<td>Value-for-Money Housing</td>
<td>Makes home ownership possible for lower-income buyers through a combination of high value for money and facilitated access to mortgage financing. A home is the biggest investment most people ever make and they have to be convinced it is worth the commitment, which can feel risky. Value-for-money housing balances aspiration (with a focus on quality, special features, and the community environment) and affordability (with home sizes and layouts in different price ranges, and features that reduce the ongoing cost of ownership). Because the model hinges upon access to financing, it often involves helping homebuyers—often the first in their families—navigate the mortgage application process.</td>
</tr>
<tr>
<td>E-Transaction Platforms</td>
<td>Many low-income people lack access to financial services as a result of the high transaction costs and complex logistics involved in reaching them. Technology companies are beginning to address these challenges through electronic transaction platforms, creating opportunities to serve low-income customers and bringing them benefits spanning convenience, efficiency, security, market access, and integration into the formal financial system. IFC is investing in a diverse set of technology companies that are helping to create the complex infrastructure for a cashless society to function. These companies have different business models. However, at a fundamental level, they display some interesting similarities—like leveraging existing retail outlets and networks, building outlets’ business and technology skills, raising consumer awareness and helping them understand the value proposition behind cashless transactions.</td>
</tr>
</tbody>
</table>

**Source:** Jenkins, Ishikawa, Geaneotes, Baptista and Masuoka, 2011: 2 – 3.
Other researches (WBCSD for e.g.) have identified three essential factors for the companies that wish to implement inclusive business projects\(^9\): First, a company should focus on its core competencies and strengths – which could be vital in ensuring consistency in a company’s portfolio. Second, it should partner with government agencies, civil society groups and development organizations with on-the-ground expertise. Lastly, it should tap into local networks to gain insights into regional markets of developing nations. It should also be noted that the implementation of inclusive business projects is by no means restricted to multinational companies. On the contrary, given the market structure, entrepreneurs in developing countries have always had to adapt their business models to cater for low-income consumers.

3. Poverty and Social Business Opportunities in Albania

According to IFAD\(^{10}\), Albania is one of the poorest countries in Europe. The effects of the transition from a centralized economy in a rigid communist state to a free market economy in a democratic republic have weighed heavily on Albania’s people, and particularly on its poor people. Despite the economy’s robust growth in recent years, almost one quarter of the population lives below the poverty level of US$ 2 a day. The poorest of the poor, who comprise about 5 per cent of the population, struggle to put adequate food on the table each day.

The income gap in the country is relatively small. Because of low incomes and a low employment rate most people’s average incomes hover close to the poverty line. This makes many of them vulnerable to the effects of downturns in the economy. It also means that well-directed pro-poor policies can potentially benefit large numbers of people.

As in many countries, the incidence of poverty is highest in rural areas, where an estimated 57 per cent of Albania’s people live and where most of them depend on agriculture for their livelihood. Poverty is 66 per cent higher in rural areas than in Tirana, the capital, and it is 50 per cent higher in rural areas than in other urban centers. The agricultural labour force is heavily underemployed, and about half of all farm laborers work only part time. For rural Albanians, non-farm employment and the opportunities it offers are a potential means of rising out of poverty. Rural, northern and mountainous areas are the poorest areas in the country. The incidence of poverty is highest in the northeastern districts of Kukes and Dibra, where almost half of the population is poor and 80 per cent of families’ income comes from social protection schemes, economic assistance and disability payments.

In this context, a few companies mainly operating with this strata of the population have emerged during the last years in Albania. These companies operate mostly in food processing, recycling, and micro financing industries. Of course this is a new trend of business, including the poor in companies’ everyday activities. One of the most representative cases of such a company is that of Edipack Sh.A. located in the city of Durres. The company receives its inputs from small individual suppliers as well as from two waste management companies. With the aim of including poor and vulnerable people in its supply chain and generating income opportunities for them, Edipack partners with three NGOs, which coordinate paper collection from about 120 individual collectors from vulnerable groups. By employing and providing on-the-job training to 75 low-skilled employees in the production process, Edipack further contributes to social inclusion. Edipack produces a large variety of goods, including sheets of corrugated paper, sophisticated packaging materials such as cosmetics paper boxes and packaging for agricultural products or beverages. The company currently has over 370 clients and sells its products to a variety of businesses, the majority of which are small and medium sized Albanian enterprises\(^{11}\).

4. Conclusions

The interest on the BOP concept is increasing among researchers, academics, corporate and a series of governmental and non-governmental organizations. Even though different theoretical opinions exist on the fact that this could be a successful business strategy for a company or not, a large number of companies and organizations that have already successfully approached the BOP market can be identified. It is not difficult to identify the areas of the world where the BOP market is extended, but it is difficult to prescribe standard strategies of success as they vary depending on the company, the BOP market segment and its needs, etc. In this context, further research is needed to identify the

\(^9\) http://www.guardian.co.uk/sustainable-business/blog/population-growth-developing-world-business-solutions

\(^{10}\) http://www.ruralpovertyportal.org/country/home/tags/albania

characteristics of a BOP market and the right strategy for different regions, countries and even local markets and businesses.

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The Use of Serological Tests (I.F.A.T. and iELISA) for Evaluation of Specific Antibodies Level in Vaccinated and Nonvaccinated Animals Against Anthrax

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Abstract
Various diseases, especially infectious ones, have caused untold harm to humanity in centuries. Among these, special attention should be paid to infectious diseases, especially anthrax, which reduces a lot the number of heads and livestock products. One of the most important tools to combat this infection are vaccinations. Today there are different kinds of vaccines against anthrax. The aim of this study was the use of IFA tests and iELISA to determine the efficacy of vaccines against anthrax. For the implementation of the IFA test bacterial emulsions prepared with bacterial strains of B. anthracis Stern 34F2 and Pasteur were used as antigens. As for determining the level of antibodies in the serum by iELISA was used Anthrax Protective antigen IgG ELISA kit. Sera of sheep and goat vaccinated with capsular and noncapsular vaccines were analyzed with both methods 21 days, 9 months and 12 months after vaccination. The results obtained show that sheep respond better to the vaccine than goat. The index of IgG anti-PA antibodies between vaccines, determined by ELISA, varies from 3.3 to 1.6 and 3.85 to 1.94, respectively, in the sera of animals vaccinated with noncapsular and capsular vaccines 21 days and 12 months after vaccination. For evaluation of vaccine immunogenicity, techniques of IgG anti-PA ELISA and indirect immunofluorescence (IFAT) can be used as alternative methods of control by the State Laboratory of Control of Veterinary Bioproducts.

1. Introduction
Various diseases, especially infectious ones, have caused for centuries untold harm to humanity. Among these diseases has been the anthrax. As an antropozoonotic disease, it was one of the haviest in the past, causing damage to people and animals. Socio-economic conditions before Second World War on one hand, the lack of specialists and the low level of veterinary service on the other, have been the most important factors that have kept in high levels the morbidity and mortality of many infectious diseases, as well as anthrax.

Currently, the increased number of livestock and consequently of their products require increased care to protect the animals from various diseases. Among these, special attention should be paid to infectious diseases, especially anthrax, which reduces a lot the number of heads and livestock products. Therefore, combating and prevention of this infection is a significant problem.

One of the most important tools to combat this infection are profilactic vaccinations, which play a major role in limiting the disease and prevent damage (Turnbull, 1991). Today there are different kinds of vaccines against anthrax, from those with various stimulants, with capsular and noncapsular strains, to vaccines prepared with synthetic media so-called Protective Antigen, isolated from the toxic complex of anthrax bacillus.

Noncapsular vaccines are widely used in veterinary practice because of some features of strains, such as:
1. lack of capsule, which allows the phagocytosis of bacteria and promotes the creation of a humoral and cellular immunity in a large scale;
2. are nonvirulent for guinea pigs;
3. are stable and do not have the manufacturing capability of the capsule as in vivo and in vitro;
4. maintain good antigenic skills;
5. they are safe and can be used in all kinds of animals;
6. the immunity driven by them is stable for at least 1 year;
7. do not contaminate the surrounding environment, having a significant impact on animal health and veterinary public health.

These vaccine noncapsular strains after entry into the animal body, multiply and develop toxic complex. In response, the animal body develops specific antibodies representing complex factors of cellular and humoral defense, neutralizing the toxic complex of virulent strains of anthrax bacillus. Therefore, today the immunity to anthrax is considered as antitoxic and antiinfective, while antibodies are identified as antitoxin (Beyer, 1996, Gajic, 1980, Klein, 1962., OIE 2000).

Based on this concept, to evaluate the effectiveness of vaccines against anthrax disease, in addition to biological tests on laboratory or homologous animals, are used also different serological tests such as seroneutralisation, indirect immunofluorescence, ELISA, etc. (Carcani, 1976, Jawets, 1982, Muhedini, 1990).

According to our researchers (Xinxo, Muhedini, 1998), anthrax disease in cattle has been widespread throughout the country, especially in the period before Second World War. The annual mass vaccination and (in many affected areas also 2-3 times a year), as well as other antiepizootic versatile measures led to a noticeable reduction of anthrax disease.

Based on many years of statistics, most cases of anthrax were reported for sheep, goats, cattle, horses and pigs. Vaccination of cattle, as a prophylactic measure, to which was given priority after 1950, led to a noticeable and incomparable reduction of anthrax disease, a situation which led also to a reduction of the incidence of this disease in humans (Muhedini, 2007).

Anthrax exists virtually in all countries of the world, but especially in Asia, Latin America, Africa and some European countries. The existence of the disease depends on seasonal fluctuations, with the highest incidence in summer, especially during warm and dried seasons (OIE 2000, Turnbull, 1993).

2. Materials and Methods

One of the objectives of our study was to evaluate the level of specific antibodies against the anthrax bacillus in the serum of animals vaccinated with noncapsular and capsular vaccines compared to nonvaccinated animals using the IFA test. For the realization of this task we used two strains: B. anthracis Stern “34F2” noncapsular and B. anthracis “Pasteur” capsular with mesogen virulence. These strains were used for preparation of antigen solution for indirect immunofluorescence test.

At the beginning, lyophilized strains were cultivated and analyzed for their characteristics. Afterwards they were cultivated in bottles with TSB media where, once microbial concentration was determined and microbial cultures resulted macro- and microscopically clean, were inactivated with 0.5% formalin and stored at +4º up to +6ºC.

For determination of antibody titers in the sera of vaccinated and control animals we used the available sera in the production of bio-products sector, the Institute of Food Safety and Veterinary (VRI) - Tirana. The sera used were obtained from sheep and goat vaccinated with capsular and noncapsular vaccine 21 days, 9 and 12 months after vaccination, and from control sheep and goat (the unvaccinated), which were lyophilised and stored at -40º C.

To perform the assembly of antigen-antibody reaction for every type of antigen we used one slide with 15 wells. In every well of the first slide was added 5 μl antigen of the noncapsular strain of bacillus anthracis. Slides were left at room temperature for drying. For antigen fixation we used acetone at -20ºC. The same procedure was followed also for the capsular antigen of anthrax bacillus. After fixing antigens in the wells of the first line were added 5 μl sera from vaccinated goats with noncapsular vaccine, in the second line was laid subtitled 5 μl sera from vaccinated goats with capsular vaccine, while in the third line 5 μl sera from nonvaccinated goats. The same protocol was followed also for the capsular antigen.

In every well were antigen-antibody immunocomplex was mounted, we added 5 μl conjugate, respectively according to species, which were covered with aluminium foil and were incubated for 30 minutes at 37ºC. The fluorescein conjugate (Nordic) was prepared with rabbit sera anti sheep and goat IgG. The assessment of prepared slides was done in fluorescence microscope in due time. Evaluation criteria of slides examined in fluorescence microscope were based primarily on examination of the microbial cell shape and of specific brightness (halo). Based on fluorescence intensity, assessment of slides was made using (+). In consideration for positivity were those slides assessed with 2, 3 and 4 (+) (Feteanu A., 1967).
The second objective of our study was evaluation of the level of specific antibody against the anthrax bacillus in serum of animals vaccinated with capsular and noncapsular vaccines, compared with the level of antibodies in nonvaccinated animals. Anthrax Protective antigen IgG ELISA is an immunoenzyme assay (EIA), which is used for detection of antitoxic antibodies to \textit{B. anthracis} protective antigen in vaccinated animals or in those exposed to \textit{B. anthracis}. Microtitration plate wells are coated with \textit{B. anthracis} protective antigen. If IgG specific antibodies to \textit{B. anthracis} protective antigen are present in a serum sample, they will be linked to antigen that lines the wells of microtitration plate.

The diagnosis is determined by comparing the OD of the samples tested, the OD of positive control. Sera used were obtained from sheep vaccinated with capsular and noncapsular vaccines 21 days, 9 months and 12 months after vaccination and from control sheep (unvaccinated), which were lyophilized and stored at -40ºC. Results are read by means of a photometer (ELISA reader) at 450 nm wavelength.

3. Results and discussion

As mentioned above one of the goals of our research was to study the level of specific antibodies against the anthrax bacillus in the serum of animals vaccinated with capsular and noncapsular vaccines compared to antibody levels in the serum of nonvaccinated animals using IFA test. We used two lyophilised strains as antigens to determine the level of specific antibodies against the anthrax bacillus through indirect immunofluorescence. For this purpose initially we defined cellular, cultural and biochemical characteristics of both strains, so that we were sure of the purity of cultures.

After 18-24 hours of incubation in 37ºC, in aerobic conditions, noncapsular vaccine strain "Stern 34F2" and the capsular one "Pasteur" of the anthrax bacilli grew in very characteristic colonies, from 0.5 to 4 mm in diameter and with white to light gray color. When cultivated in 5-10% blood agar, two strain formed round colonies, from 0.5 to 6 mm in diameter and with all the features observed in plain agar media. Noncapsular vaccine strain colonies on blood agar manifested an almost insignificant hemolysis that was never bigger than the colony itself, while colonies of capsular vaccine strain had almost the same size, but did not manifest hemolysis. In microscopic slides prepared after 18-24 hours of incubation at 37 °C cells appear in the form of long strings and resulted Gram positive after Gram stain.

Strains of \textit{B. anthracis} are static. To test this feature two strains were cultivated with injection in semi-solid agar media. After 18-24 hours of incubation at 37 ºC was found that cultures were grown only at the injection site and the rest of media was clear. The study of fermentation and biochemical characteristics, vaccine strains of anthrax bacillus was conducted in different media with sugars and other differentiate media, prepared according to known protocols (Antonova V., Blinov PN 1971 Burans J 1996, Buxton A. 1977). Once we were sure of the purity of our cultures, we prepared bacterial solutions with certain concentrations that we used later for the IFA test. The concentration of microbial strains of anthrax bacteria was determined by standard optical McFerland.

\textbf{Table 1:} The level of specific antibodies against the anthrax bacilli in the serum of vaccinated goats with noncapsular and capsular vaccines, compared with the level of serum antibodies in vaccinated goats with the IFA test, 21 days after vaccination

<table>
<thead>
<tr>
<th>No.</th>
<th>Goat Serum</th>
<th>Antigen</th>
<th>Serum dilutions</th>
</tr>
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<tr>
<td></td>
<td></td>
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<td>1/2</td>
</tr>
<tr>
<td>1</td>
<td>noncapsular</td>
<td>noncapsular</td>
<td>+++</td>
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<td>2</td>
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<td>1</td>
<td>noncapsular</td>
<td>Capsular</td>
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<td>3</td>
<td>control</td>
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\textbf{Note:} the ordinal numbers 1 and 2 represent the four serums obtained from four animal where the protection power is determined by DFM., while No. 3 represents the serum of four unvaccinated animals. Positive titer was considered that with 2 (+) and above.
Photo 1: Indirect immunofluorescence with sera of vaccinated goats with noncapsular vaccine, 21 days after vaccination (left, 10). Indirect immunofluorescence with sera of vaccinated goats with capsular vaccine, 21 days after vaccination (right, 11).

Table 2: The level of specific antibodies against the anthrax bacilli in the serum of vaccinated goats with noncapsular and capsular vaccines, compared with the level of serum antibodies in vaccinated goats with the IFA test, 12 months after vaccination.

<table>
<thead>
<tr>
<th>Goat serum</th>
<th>Antigen</th>
<th>Serum dilutions</th>
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<tr>
<td></td>
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<td>1/2</td>
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<tr>
<td>Noncapsular</td>
<td>Noncapsular</td>
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<td>Capsular</td>
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<td>Noncapsular</td>
<td>Capsular</td>
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<tr>
<td>Capsular</td>
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<td>Controle</td>
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</table>

Pozitive titer was considered that with 2 (+) and above.

Table 3. The level of specific antibodies against the anthrax bacilli in the serum of vaccinated sheep with noncapsular and capsular vaccines, compared with the level of serum antibodies in vaccinated goats with the IFA test, 21 days after vaccination.

<table>
<thead>
<tr>
<th>Sheep serum</th>
<th>Antigen</th>
<th>Serum dilutions</th>
</tr>
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<tbody>
<tr>
<td></td>
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<td>1/2</td>
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<tr>
<td>Noncapsular</td>
<td>Noncapsular</td>
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<td>Capsular</td>
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<td>Noncapsular</td>
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<td>Capsular</td>
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<td>Controle</td>
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Pozitive titer was considered that with 2 (+) and above.

Table 4. The level of specific antibodies against the anthrax bacilli in the serum of vaccinated sheep with noncapsular and capsular vaccines, compared with the level of serum antibodies in vaccinated goats with the IFA test, 9 months after vaccination.

<table>
<thead>
<tr>
<th>Sheep serum</th>
<th>Antigen</th>
<th>Serum dilutions</th>
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<tr>
<td></td>
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<tr>
<td>Noncapsular</td>
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<td>Capsular</td>
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<td>Noncapsular</td>
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Pozitive titer was considered that with 2 (+) and above.

**Table 5.** The level of specific antibodies against the anthrax bacilli in the serum of vaccinated sheep with noncapsular and capsular vaccines, compared with the level of serum antibodies in vaccinated goats with the IFA test, 12 months after vaccination

<table>
<thead>
<tr>
<th>Sheep serum</th>
<th>Antigen</th>
<th>Serum dilutions</th>
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<tr>
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<tr>
<td>Noncapsular</td>
<td>Noncapsular</td>
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<tr>
<td>Capsular</td>
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<tr>
<td>Controle</td>
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<tr>
<td>Noncapsular</td>
<td>Capsular</td>
<td>++++</td>
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<tr>
<td>Capsular</td>
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<tr>
<td>Controle</td>
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Pozitive titer was considered that with 2 (+) and above.

The data of tables 1 and 2 show that serum titers of vaccinated goats with noncapsular and capsular vaccines against anthrax, using both antigens, gave, respectively, fluorescence with 2 (+ ) at dilutions 1/128 (21 days after vaccination) and 1/32 (12 months after vaccination). The data tables 3, 4 and 5 showed that serum titers of vaccinated sheep with noncapsular and capsular vaccines against anthrax, using both antigens, gave, respectively, fluorescence with 2 (+ ) at dilutions 1/128, 1/64 and 1/32 after 21 days, 9 and 12 months of vaccination.

In parallel with the sera of vaccinated sheep and goats, it was evaluated also through IFA test the sera of nonvaccinated animals. In all reactions realized the sera of control animals gave no fluorescence even in smaller dilutions such as 1:2 and 1: 4. Applying the technique of indirect immunofluorescence in determining the level of antibody titer is specific and possible to be carried out.

From the data obtained there is a more pronounced fluorescence intensity in the serum of vaccinated sheep than the serum of vaccinated goats, although their serum titer is the same in the same time periods after vaccination. The results obtained show a better response of sheep to the vaccine than goats. These results are supported even better by determination of defensive power and its duration during biological test conducted by the Biopharmaceuticals Manufacturing Sector, VRI (P. Carcani, Jim A.-1976, Muheidini P. 1990.)

During our study we defined the level of specific antibodies against *B. anthracis* in serum of animals vaccinated with capsular and noncapsular vaccines compared with the level of serum antibodies in nonvaccinated animals with the ELISA test. Sera used for the realization of the ELISA test is originated from animals on which it was performed determination of defensive power of the capsular and noncapsular vaccines, which resisted experimental infection with virulent *B. anthracis* strain Laç 478, respectively, 1, 10, 50 and 100 minimal lethal dose after 21 days, 9 and 12 months of vaccination. For determination of protective power of each vaccine in different periods after vaccination we used 4 vaccinated sheep and 1 infected sheep with 1, 10 and 100 minimal lethal dose (mld) of virulent strains of *B. anthracis* 478 Laç. We note that sheep vaccinated with noncapsular *B. anthracis* strains were infected 21 days after vaccination with 10 and 50 mld and 9 and 12 months after vaccination were infected with 10 mld, while sheep vaccinated with the capsular vaccine were infected with 100 mld, 21 days and 9 and 12 months after vaccination.

Based on the results of the test performed in our lab we can present these data:

1. The average index of IgG antibodies anti protective antigen of sheep serum 21 days after vaccination, vaccinated with noncapsular vaccine resulted 3.3
2. The average index of IgG antibodies anti protective antigen of sheep serum 9 months after vaccination, vaccinated with noncapsular vaccine resulted 2
3. The average index of IgG antibodies anti protective antigen of sheep serum 12 months after vaccination resulted vaccinated with noncapsular vaccine resulted 1.6
4. The average index of IgG antibodies anti protective antigen of sheep serum 21 days after vaccination, vaccinated with capsular vaccine resulted 3.85
5. The average index of IgG antibodies anti protective antigen of sheep serum 9 months after vaccination, vaccinated with capsular vaccine resulted 2.54
6. The average index of IgG antibodies anti protective antigen of sheep serum 12 months after vaccination, vaccinated with capsular vaccine resulted 1.94
The difference of IgG anti-PA index and its duration, determined with Anthrax Protective antigen IgG ELISA test, between serum from animals vaccinated with the vaccine produced with capsular and noncapsular strain of *B. anthracis* is understandable because the noncapsular vaccine is produced from an almost apatogen strain for laboratory animals and that between them, the *B. anthracis* strains used in vaccine production must necessarily be changes in the antigenic structure, as production of protective antigen is largely determined by pXO1 plasmid. While the loss or decline in virulence of *B. anthracis* not only due to the loss of plasmid kapsuloformues, pXO2, but also with changes in plasmid toxicity, this leads to the conclusion that, at the same time there is a shift into a plasmid that determines production of protective antigen and other factors as toxic Lethal factor and Edema factor and consequently the immunity boost by almost avirulent vaccine strains of *B. anthracis* to homologous animals in lower level compared to the strains of mesogene virulence (Anderson GL, Simchock JM, Ëilson KH. 1996).

The arguments mentioned above are also supported by this paper as IgG antibody index between anti-PA vaccine varies from 3.3 to 1.6 and 3.85 to 1.94 respectively in sera of animals vaccinated with capsular and noncapsular vaccine 21 day 12 months after vaccination. Based on the determination of the protective power of capsular and noncapsulare vaccines applied in sheep in the Sector of Production of biopharmaceuticals it is proved that the values 1.6 to 1.94 of index of IgG anti-PA antibodies obtained from sera of vaccinated sheep with capsular and noncapsular vaccines protect these animals respectively 10 and 100 mild, 12 months and 9 months after vaccination.

Currently it is accepted that IgG ELISA serological test in microtitration plates coated with protective antigen (PA) compared with all other serological tests is the best and has a sensitivity 97.6% and specificity from 94.2 to 98% (Turnbull PCB, 2007.). In addition to high sensitivity and specificity, this test is simpler and requires less time to analyze the serum.

In conclusion we can say that or evaluation of vaccine imunogenicity, techniques of IgG anti-PA ELISA and indirect immunofluorescence (IFAT) can be used as alternative methods of control by the State Laboratory of Control of Veterinary Bioproducts. Serological tests anti-PA IgG ELISA and indirect immunofluorescence (IFAT) tests can be used to monitor the epidemiological situation and to identify vaccinated animals.

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The Realization of the “New Architecture”.
The Italian Colonial Experience in Albania During the Years 1925-1943.

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Abstract

The Italian colonial architecture is a chapter yet to be completed, although in recent years there has been a keen interest in the topic, which has led to important events. The period of greatest expansion of Italian colonialism is the one between the second half of the twenties, when fascism began the arrangement of the "Terre d’Oltremare" and the important year 1936, when was made the proclamation of the Empire. The Italian colonial developments in Albania was so particular. They were expected economic agreements for the construction of public works, financial assistance to the country, and its entry into the Society of Nations. The present study was conceived with the aim of identifying a specific strand of the Italian colonial, that is what born inside of the Rationalism, and eventually the emergence of colonial and modern architecture. In 1928 were founded the National Bank of Albania, a subsidiary of the Bank of Italy, and the SVEA which guaranteed, plus a huge loan, the use of companies with Italian capital for the construction of the road network and the completion of the new capital Tirana, whose plan was entrusted to architect Armando Brasini. In the Italian colonies have worked among the best urban planners and architects of the time, each with its own training and their militancy in the various movements of the era. Finally, these great masters of architecture studied the ancient local construction systems and materials used, replugging the achievements of modern technology with the great heritage of tradition. To prepare this study researched a wide historic literature and archive resources, which tried to analyze and interpret according to the present arguments.

Keywords: The Italian colonial experience, New architecture, Italian colonialism, Modern architecture.

1. Introduzione

Le storie dell’Italia e dell’Albania si sono ripetutamente intrecciate nel corso dei secoli. Da questo lungo cammino, segnato da uno scambio intenso di esperienze e di conoscenze, ma anche da fasi di grave e lacerante contrapposizione è nato un rapporto di amicizia solido e profondo, alimentato dalla comune appartenenza alla civiltà del Mediterraneo e dalla condivisione dei valorì di accoglienza e di solidarietà che di quella civiltà rappresentano il tratto distintivo. Oggi fanno da testimonianza della presenza italiana in Albania nella prima metà del Novecento, un insieme di documenti archivistici, dove si nota particolarmente il ruolo che l’architettura e la pianificazione del territorio hanno svolto come veicolo di diffusione della cultura italiana nell’Albania di questo periodo. Questo legame di cooperazione si nota ancora nei giorni nostri, tra progettisti e costruttori dei due Paesi nella realizzazione di alcune tra le più significative espressioni del patrimonio artistico albanese contemporaneo.

Si è trattato di un ambito in cui ha dunque trovato riflesso il dialogo costante e proficuo tra i due Paesi. Che continua ancora oggi in forme diversificate, estendendosi dal partenariato commerciale agli scambi socio-culturali.

2. Gli obiettivi del progetto

Il presente studio è nato con l’obiettivo di identificare un preciso filone dell’architettura coloniale italiana nell’Albania degli anni tra 1925-1943, ossia quello che nasce all’interno del Razionalismo, e alla fine l’affermazione di un’architettura coloniale moderna.

Le colonie italiane costituirono nel loro complesso un universo variegato, per la diversità delle caratteristiche geografiche, storiche e culturali. Per questo le politiche urbanistiche ed edilizie del Fascismo nelle colonie furono diverse una dall’altra.
L’Albania viene considerato un caso a parte, trattandosi di un protettorato, presentava punti di contatto con l’Italia per ragioni storiche e culturali. Il divario era inoltre allargato da uno sviluppo storico e da manifestazioni culturali totalmente differenti. Per questo motivo l’organizzazione del territorio, l’urbanistica e l’architettura nelle colonie assunsero forme specifiche, adattandosi volta per volta al contesto, perché i problemi da risolvere erano di varia natura.

Allo scopo di comparare le diverse esperienze, si è voluto tracciare un quadro generale delle maggiori realizzazioni coloniali del Fascismo nel campo della pianificazione territoriale e dell’urbanistica, all’interno del quale risultasse più agevole collocare le opere degli architetti coloniali studiati.

L’architettura coloniale italiana è un capitolo ancora da completare, nonostante negli ultimi anni si sia registrato un vivo interesse per l’argomento, che ha portato a eventi importanti. Il periodo di massima espansione del colonialismo italiano è quello compreso tra la seconda metà degli anni Venti, quando il Fascismo avviò la sistemazione delle «Terre d’Oltremare» 1, e il 1936, l’anno della proclamazione dell’Impero. Erano previsti degli accordi economici per la realizzazione di opere pubbliche, un’assistenza finanziaria al paese, e il suo ingresso nella Società delle Nazioni.

3. Gli intrecci tra la storia e gli sviluppi urbanistici del paese.

La vicenda coloniale italiana in Albania ebbe sviluppi del tutto particolari. La storia recente del paese risaliva alla spartizione dell’area balcanica che le grandi potenze europee iniziarono con il Congresso di Berlino del 1878. La «questione albanese» emerse all’inizio del Novecento, anche se durante i lavori del Congresso berlinese era nato un «Comitato centrale per la difesa dei diritti della nazione Albanese», sostenuto dalla Turchia, che elaborò il progetto di uno stato autonomo, tentando di sottrarsi all’influenza dell’Impero ottomano e degli stati occidentali.

Nei primi anni del secolo accaddero molti eventi che cambiarono il quadro dei rapporti internazionali: la presa del potere dei «giovani turchi», le annessioni della Bosnia-Erzegovina all’Austria e di Creta alla Grecia, la proclamazione dell’indipendenza in Bulgaria, le mire dell’Italia sull’Egeo e sulla Libia. In questa complessa situazione agirono i patrioti albanesi. Nel 1912 il Comitato, riunitosi a Valona, proclamò l’indipendenza del paese, che sarà sancita nel 1913 dal Congresso di Bucarest e, nell’anno successivo, da quello di Londra.

Nel 1914 a Firenze una «Commissione per la definizione dei confini», su mandato della Società delle Nazioni, stabilì la divisione dei territori albanesi in mano alla Turchia tra la Grecia, la Serbia e il Montenegro. Sul nuovo trono dell’Albania fu posto Guglielmo di Wied, che fece una politica filoaustriaca, entrata in crisi allo scoppio della prima guerra mondiale.

All’inizio del conflitto l’Albania fu invasa da Greci, Montenegrini e Serbi, mentre il 28 dicembre 1916 le truppe italiane sbarcarono a Valona e nel 1915 liberarono dai Greci gran parte dell’Albania meridionale, mentre nel 1916 fermarono l’avanzata austro-tedesca alla Voivusa. Nel 1917 l’Italia, con il proclama di Argirocastro, si impegnò a garantire l’indipendenza dell’Albania, a ritirarsi dai territori occupati e a facilitare la formazione di un governo autonomo. Erano previsti anche accordi economici per la realizzazione di opere pubbliche, un’assistenza finanziaria al paese, e il suo ingresso nella Società delle Nazioni.

Con l’affermazione del Regime fascista, Ahmed Zogu, che nel 1924 aveva consolidato il potere grazie all’appoggio jugoslavo, adottò nel 1927 una politica favorevole all’Italia, che da tempo dava al paese aiuti economici e finanziari per valorizzarne le risorse. Nel 1928 vennero fondate la Banca Nazionale d’Albania, una filiazione della Banca d’Italia, e la S.V.E.A. (Società Sviluppo Economico Albania) che garantiva, oltre a un ingente prestito, l’impiego di imprese con capitale italiano per la realizzazione della rete stradale e il completamento della nuova capitale Tirana, il cui piano regolatore venne affidato ad Armando Brasini2.

Questo particolare rapporto politico venne consolidato con il «Patto d’amicizia», firmato tra i due paesi nel 1926 a Tirana, che fece dell’Albania a tutti gli effetti un protettorato italiano. Intanto Zogu, nominata un’Assemblea costituente, il 1° settembre 1928 si fece eleggere re.

Tra le prime opere pubbliche a essere realizzate vi furono i porti di Valona e di Durazzo.

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progettati dall’ingegner Luigi Luiggi, autore anche di quelli di Massaua e di Tripoli. Venne poi redatto un piano per la costruzione di nuove strade lungo le direttrici Tirana-Durazzo, Scutari-Elbasan, Durazzo-Valona, con un centinaio di ponti. Presso il Ministero dei Lavori Pubblici venne istituito un apposito Ufficio Tecnico con l’incarico di preparare i piani regolatori dei principali centri urbani albanesi, mentre a Florestano di Fausto e a Vittorio Morpurgo furono affidati incarichi per la progettazione degli edifici ministeriali di Tirana e di Durazzo e di altre architetture pubbliche e private.

Nel 1925 Brasini studiò il piano regolatore di Tirana, il cui elemento principale era un grande viale, orientato secondo la direzione nord-sud, che separava la città esistente dalla sua periferia; su di esso erano allineate architetture monumentali che ne facevano un centro direzionale del tutto autonomo e avulso dal contesto. La sua funzione era quella di una cerniera fra il nucleo antico e la città moderna, per la quale non venivano fornite precise indicazioni. Nel 1939 anche Gherardo Bosio, nel disegnare il piano regolatore definitivo, conserverà l’asse monumentale previsto da Brasini, qualificandolo con un’edilizia di stampo classicista adeguata al ruolo della capitale.

Tra il 1927 e il 1931 l’ambizioso programma di opere pubbliche per l’Albania provocò una crisi tra la S.V.E.A., il governo italiano e quello albanese, che nel 1929 aveva contratto un debito enorme. Il Tesoro italiano fu quindi costretto ad anticipare grandi somme come prestito per i lavori pubblici, ma il credito servì per attrarre ulteriormente l’Albania nei piani regolatori dei principali centri urbani albanesi, mentre a Florestano di Fausto e a Vittorio Morpurgo furono affidati incarichi per la progettazione di nuove strade lungo le direttrici Tirana-Durazzo, Scutari-Elbasan, Durazzo-Valona, con un centinaio di ponti.

Sulla base degli accordi economici presi tra i due paesi, vennero decisi altri importanti lavori. Alla fine del 1929, dopo un sopralluogo di Luiggi a Durazzo, il Ministero dei Lavori Pubblici fece approntare un programma operativo che determinò l’avvio all’attività edilizia. Tra le realizzazioni vi furono la ferrovia Durazzo-Tirana, nuovi ponti, sei edifici ministeriali, il rifacimento della Villa Reale, su progetto di Di Fausto, e il Grand Hotel di Tirana (Hotel Dajti). Il completamento della rete stradale migliorò i trasporti, favorendo l’esportazione dei prodotti locali e l’importazione di materie prime e manodopera dall’Italia. Tra l’economia nazionale e quella albanese si venne a creare una dipendenza tale che la Banca d’Italia pensò di istituire una moneta unica, ma il timore di una svalutazione della moneta albanese, fece rinviare il proposito. Intanto venne ventilata l’ipotesi di regolare la questione allontanando re Zogu.


Nel 1939, quando Zogu, su pressione francese e inglese, tentò di svincolarsi dalla tutela italiana, Mussolini dichiarò che l’unica soluzione possibile per l’Albania era la sua annessione all’Italia con mezzi militari; perciò dette incarico al ministro degli Esteri Galeazzo Ciano di avviare trattative con le grandi potenze per ottenere l’assenso, mentre Zogu cercava accordi diplomatici. L’occupazione militare avvenne dal 7 aprile 1939 con lo sbarco a Durazzo e si concluse alla fine del mese quando Vittorio Emanuele III assunse il titolo di «Re d’Italia e d’Albania».

In questa situazione di instabilità politica fu deciso l’aumento della spesa per i lavori pubblici albanesi, in particolare per il completamento del centro di Tirana, dove erano in fase di ultimazione i progetti di Di Fausto. Subito dopo venne costruito un villaggio di “Pater”, dal nome dell’impresa milanese produttrice di prefabbricati, con 500 alloggi per famiglie italiane, mentre l’E.T.A.L. (Ente Turistico e Alberghiero della Libia), realizzava vari Hotel a Durazzo, Tirana e in altri centri.

Sì avviò anche un programma di valorizzazione agricola, nella quale i poteri risultanti dalla bonifica integrale venivano organizzati, utilizzando come modelli i villaggi libici ed etiopi. Fu scelta un’area pianeggiante con terreni fertili in prossimità di Tirana e il comprensorio venne diviso in due zone, dove dovevano insediarsi 900 famiglie italiane e 2.000 albanesi. La gestione dei terreni era però di tipo cooperativistico, basato su un sistema di affitto che in breve tempo avrebbe permesso ai coloni di diventare proprietari dei fondi. Le abitazioni, disposte a gruppi, erano situate al centro dei poderi e formavano 6 villaggi, con una popolazione di 8.000 unità distribuita su circa 36.000 ettari coltivabili.

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Nell’estate del 1939 venne inviato a Tirana Gherardo Bosio con l’incarico di organizzare un Ufficio Centrale per l’Edilizia e l’Urbanistica che portasse a compimento il piano regolatore. Il problema più urgente che si presentava era l’individuazione e l’organizzazione di nuove aree dove far sorgere i nuovi quartieri residenziali destinati alla popolazione italiana, che abitava all’interno della città antica. Bosio assunse la direzione del nuovo ufficio, iniziò la revisione del
vecchio piano e nel 1940 completò la stesura del nuovo regolamento edilizio. Nel progetto erano previste tipologie edilizie uniformi adeguate all’impianto razionale del piano, ma erano contenute anche indicazioni precise sulle altezze, sul verde, sull’arretramento dei blocchi rispetto al filo stradale, sull’uso dei portici, precisando anche i materiali e i colori da usarsi nelle facciate. Di particolare interesse, all’interno del piano regolatore, era la città-giardino a sud di Viale Mussolini, con al centro il quartiere I.N.C.I.S, progettato da Piero Bartolini, un collaboratore di Bosio che, chiamato a Tirana, organizzò l’Ufficio del Piano Regolatore e segui la realizzazione dell’intero lotto dell’I.N.C.I.S., composto da grandi blocchi a due livelli con una corte aperta e da alloggi di tre e quattro piani, per un totale di 16 edifici rimasti interrotti allo scoppio della guerra.

La maggior parte degli architetti europei moderni, da Le Corbusier a Mies Van Der Rohe, furono impressionati da queste costruzioni, nelle quali vedevano realizzati, in forma naturale e senza mediazioni intellettualistiche, i principali obiettivi perseguiti dalla nuova architettura: la funzionalità, l’assenza della decorazione, l’economia, l’uso razionale dei materiali.

Fig. 1. Hotel Dajti, Tirana 1939

Fig. 2. L’asse principale di Tirana fotografato durante la costruzione del Palazzo di Fascio, oggi Corpo Centrale dell’Università Politecnico di Tirana Luglio 1939

4. Gli influssi del Razionalismo sull'architettura coloniale italiana

Lo scopo di questa indagine si fonda sull'individuazione, all'interno dell'esperienze progettuale nelle colonie italiane, di una «nuova architettura», intrecciando con il termine quella più avanzata dal punto di vista linguistico e ben distinta dall'architettura ufficiale o da quella che attingeva le proprie ragioni teoriche e la propria poetica da altri movimenti dell'epoca. La sua origine è da rintracciare verso la fine degli anni Venti nelle ricerche maturate nel Razionalismo italiano, dove si formarono i giovani architetti italiani che ebbero l’occasione di lavorare nelle colonie. Le loro opere si differenziarono in misura notevole da quelle degli altri architetti.

Nella costruzione dell’apparato “ideologico” di questa «nuova architettura» coloniale avranno un peso rilevante alcune “matrici” culturali presenti nel dibattito architettonico dell’epoca, svoltosi nella madrepatria negli anni Trenta e oltre, di cui i razionalisti furono tra i più ferventi animatori.

Tra queste, le più importanti ai fini del nostro discorso sono tre, mentre in realtà sono strettamente connessi e interdipendenti, rimandando a una sostanziale unità. La prima matrice è l’architettura mediterranea, intesa come un ambito di appartenenza più vasto di quello nazionale, al quale ricordare l’architettura moderna, per una coincidenza di principi e di fatti formati. La seconda, che costituisce una derivazione della prima, è la rivalutazione dell’architettura “senza architetti” dell’Italia del sud, delle isole greche e delle coste nordafricane, nella quale si riteneva fossero contenute le fonti della razionalità costruttiva. Questi due temi nacquero e si affermarono nella cerchia del Razionalismo, anche se in seguito altri gruppi dell’epoca si appropriarono del concetto della mediterraneità. La terza matrice è la ricerca dell’identità dell’architettura italiana moderna: un obiettivo che nelle colonie si poneva in maniera più evidente, in quanto si trattava di costruire in un contesto totalmente estraneo a quello del paese di origine. Ma questa finalità fu perseguita anche da altre correnti, soprattutto da quella accademica, come resistenza alla diffusione internazionale della nuova architettura. Nei razionalisti la ricerca delle radici nazionali scaturisce dal rapporto dialettico tra l’avanguardia e la tradizione e sarà impostata, anche per un calcolo politico, sull’eredità dell’architettura romana; di essa però i giovani architetti attivi nelle colonie non guarderanno gli esempi aulici e monumental, ma la domus, considerata come l’archetipo dell’abitazione del bacino mediterraneo. Queste tre griglie di interpretazione rappresentano anche altrettante coordinate atte a orientarsi nella ricostruzione dell’arduo percorso a ritroso degli architetti coloniali razionalisti. Partiti dal movimento europeo, essi vollero realizzare un’architettura moderna ma anche italiana, e perciò andarono alla ricerca dei suoi caratteri permanenti, che ritrovarono nell’edilizia spontanea dell’area mediterranea, dove lavorarono. Qui essi scoprirono il valore degli antichi centri urbani e dell’abitazione indigena, della quale studieranno la morfologia, l’uso razionale dei materiali, il rapporto con l’ambiente naturale e le soluzioni per il controllo climatico. Abbandonando infine gli estremismi dell’avanguardia, si ricollegarono alla tradizione, di cui accettarono gli insegnamenti, rivisitati però alla luce dei principi del Movimento Moderno, realizzando un’architettura contestuale ante litteram.

5. I risultati e le discussioni

Gli interessi italiani verso l’Albania all’inizio del ’300 trovano origine dalla necessità di esercitare un controllo strategico sull’Adriatico attraverso il possesso delle due sponde del Canale d’Otranto e dall’opportunità di servirsi della terra albanese per una penetrazione economico-finanziaria nell’area balcanica. A questi chier obiettivi, tuttavia, non fece mai riscontro, un indirizzo politico altrettanto determinato: difatti, se i governi liberali operarono sempre con incertezza, l’Albania per una penetrazione economico-finanziaria nell’area balcanica. A questi chier obiettivi, tuttavia, non fece mai riscontro, un indirizzo politico altrettanto determinato: difatti, se i governi liberali operarono sempre con incertezza, neppure la possibilità di un’occupazione militare. Anche i piani elaborati dalle Forze Armate italiane dal 1927 in poi, risentirono di questo duplice orientamento, il quale finì per riflettersi negativamente sull’ultimo atto della politica fascista. Anche i piani elaborati dalle Forze Armate italiane dal 1927 in poi, risentirono di questo duplice orientamento, il quale finì per riflettersi negativamente sull’ultimo atto della politica fascista.
continui interventi della dirigenza fascista mostrano uno spaccato significativo del modo di agire del regime, evidenziando la faciloneria e l'improvvisazione di una strategia politico-militare aggressiva, certamente influenzata, a partire dal 1938, dalla rapida evoluzione del contesto internazionale, ma senza dubbio basata su aspirazioni sproporzionate alle reali possibilità del paese.

6. Conclusioni

Il filo rosso delle relazioni con l'Italia, una storia che parte da lontano, dall'antichità romana e si stringe nel corso dei secoli. Furono vastissimi i progetti che il governo italiano promosse su tutto il territorio albanese, durante il ventennio fascista. Sono più di 20.000 i disegni che restituiscono puntualmente le fasi del processo costruttivo delle “moderne” città albanesi: un programma ambizioso e lungimirante di pianificazione che ha prodotto una straordinaria quantità di elaborati. Essi testimoniano il ruolo della cultura italiana, la sua capacità di trasformare i modelli consolidati dell'Urbe Massima, di divulgare e promuoverli fino a renderli fruibili e accessibili alle successive generazioni di governi.


Fin dal 1939, con l'insediamento dell'Ufficio Centrale a Tirana, sono varati i primi programmi di lavori, per il “miglioramento urbanistico ed edilizio” delle principali città albanesi. Essi intrecciano alcune coordinate che costituiscono una griglia costante di riferimento, riguardante: il rapporto con la città esistente, qualificazione del centro politico, amministrativo, religioso, creazione di un asse commerciale, zoning e decentramento, soluzione della viabilità interna ed esterna, potenziamento delle risorse ambientali. Questi temi saranno poi approfonditi per la stesura dei piani regolatori regionali redatti tra il 1942 e il 1943.

La scelta va dunque nella direzione di un professionismo di scuola romana, apprezzato proprio per la capacità di fondere “mirabilmente” gli elementi dell’architettura locale col linguaggio “austero” della romanità. Tirana, Durazzo e Valona, furono al centro delle prime trasformazioni urbane e infrastrutturali varate da società italiane. Il processo protezionistico dell'Italia fascista sull'Albania si strinse attorno ad alcuni provvedimenti decisivi, come il proclama d'Agirocastro del 1917 e la Dichiarazione degli Ambasciatori del 1921. Sono gli anni in cui l'impegno italiano per l'indipendenza e la tutela del territorio albanese si rafforza col Patto d'Amicizia e sicurezza 1926, che individua l'Italia come partner preferenziale, ponendo le basi per programmare e gestire una struttura economica, ritenuta troppo debole per poter rispondere alle esigenze delle nuove istituzioni. Il fascismo affronta fin dall'inizio i nodi fondamentali dello sviluppo, riguardanti i meccanismi d’investimento e la programmazione dei lavori pubblici, che devono rispondere anche a una strategia di trasferimento di ricchezze e di capitali. Prova ne è la costituzione, nel 1925 di una Società per lo Sviluppo Economico Albanese (S.V.E.A), promossa, insieme alla Banca Nazionale d’Albania, da un gruppo finanziario italiano, sulla base di precedenti atti riguardanti convenzioni per il prestito per i lavori pubblici.

Fig. 3. La costruzione del Viale dell’Impero (Foto Luce, 20 dicembre 1939 Tirana).

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E-Bill: Development of Web Based Application. 
Generating Online Electricity Bills for Albanian ”CEZ Distribution” Customers

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Abstract

Based on the very difficult situation of distributing energy bills to all customers in Albania, for “CEZ Shperndarja” Electricity Company was necessity to come-up with the development of E-BILL web based platform to help all our customers to print the invoice, see the monthly consume of the electricity, see even the whole historical consumption and one more steps were the data-cleaning forms updating those contract personal data. Why E-BILL was the first question? And the answer immediately was as e-bill is fast, correct, and secure and you need to spend less time staying in line for hours to our customer care centres. All clients can have possibility to see their invoices and print them from home, office, or internet cafe computers. We choose the WAMP platform as a dynamic web-based application of type client-server developed and implemented in a Windows-Apache-MySQL-PHP platform. It ends up with the conclusions, which indicate the usage of E-Bill platform from actually registered customers getting monthly bills and facilitate the data cleaning process through fullfillment of the forms.

Keywords: Web Platform, E-bill, Survey, monthly bills.

1. Introduction

The delivery of invoices by “Posta Shqiptare” or other private delivery companies has been a big problem for all Albania “Cez Shperndarja” customers, around 15-35% was declared as undelivered invoices and the number of customers waiting for getting the printed invoices at our customer care centers was increased monthly up to 10-15%. “CEZ Shperndarja” as per the data cleaning project, to have a better collection performance, as per invoice delivery through the readers project decided to improve the performance of delivering the invoice by:

• Designing a new web platform called E-Bill for generating all customers invoices
• Designing and usage of Data-Cleaning form for updating and correcting all customers data registered in E-Bill.
• Delivering invoices in very difficult rural areas through the readers staff and make aware clients using E-Bill more often through internet

This paper presents the E-Bill web platform designed for Albanian Citizens for generating their electricity invoices online. The primary goal of this application is to offer a suitable interface to all “CEZ Shperndarja” clients in Albania in order to simplify and reduce the time consuming for generating monthly invoices, correct and fulfill all data-cleaning process for having the most accurate data for all customer contracts with “CEZ Shperndarja” company.
We aim to present a mostly complete view of our application focusing especially on the design process and the pre-analyses done before arriving to the needs of this development.

With E-Bill platform all clients can print the invoice, see the monthly consume of the electricity, and see even the whole historical consumption. One more steps were the data-cleaning forms updating those contract personal data.

All customers need to be registered first on the E-Bill and been recognize by the system with the following credentials:

- Contract Number
- Name Surname (Holder of contract)
- Agency
- Tel Number or E-mail Address

The system generates immediately secured login credentials:

Username and Password (unique for each client on Billing System)
Since the beginning the number of clients registered on the first two months was up to 50,000 clients, and after two years application running and fully functioning the total number of clients was 350,000-400,000 customers registered. The feedback of this survey of how much important and useful was for the customers the development of E-Bill platform was as positive as the whole portfolio number of clients was 1.2 million customers in total. Including even big companies were using e-bill fully and in two years fully operation application was 400,000 clients registered and active monthly.


The system and application software is required to develop E-Bill application software for generating monthly invoices, historical invoicing and fulfilling a data cleaning forms per each contract/client belonging to for updating the actual data and correcting mistakes on the name address phone number and e-mail address. The present Web technologies support to develop web-based software for various services that can be accessed anywhere and anytime are categorized as LAMP (Linux, Apache, MySQL and PHP) and WAMP (Windows, Apache, MySQL and PHP). [3, 7, and 8].

After several meetings and interviews with the Customer Care, Sales, Collection, IT highest manager’s level and IT analyses development and maintenance team the requirements specification document was created for developing the E-bill application and Data-Cleaning form. Review of existing documentation helped us on understanding all elements of electrical invoice. The whole database platform already existing in Billing System, were a good reference when working for the final requirements specification document for both E-Bill and Data Cleaning form. Project Methodology used

- First phase:
  - Analysis and Definitions
  - Implementation
  - Backup Policy
- Second phase:
  - Final preparation (Migration, Integration tests, Documentation, user training)
- Simulation before Going LIVE supporting or not 1.2 million customers
- Go Live
  - Testing with internal users of the company
  - Go live on the internet platform

In general, all CEZ Shperndarja internal users using the E-Bill system from the Intranet and all other customers accessing from Internet founded the importance of such application and how useful was for all of them the use in facility and simplicity in their work. The success or the failure of a software system depends mostly on its utilization. If the E-Bill application doesn’t help and facilitate user’s work, or if it is too complicated and time-consuming for them, they will never use it and that is why the correct definition of functional requirements is essential.

3. Software Design and Model

After the analyses phase and agreement for the further steps the software design is the most important phase of the project and it is usually the most crucial one or the success of a the E-Bill system. It consists in developing a database and software model which will interact with the database for storing, modifying and retrieving data.

The first step in this phase was modeling the real world system in a well structured database (used the same structure as Billing DB but a normalized one). This model is represented by the entity-relationship diagram as shown in figure 3.

During the designing and normalizing the E-Bill Database, we have done the proper analyses of the real world system and model it in a database. A well-designed database takes time and effort to conceive, build and refine, this was done for E-Bill keeping in mind all problematic platform the Billing Database was phasing during the time. The main and primary DB which replicates daily with the E-Bill Database is the Billing System Database; the back-up of both systems is done daily and weekly.

An effective data model completely and accurately represents the data requirements of the end users. The model used for E-Bill eliminates redundant data, it is independent of any hardware and software constraints, and can be adapted to changing requirements with a minimum of effort [1, 2, and 4].
In figure 3 are shown the most important entities of the model and their relationships, where this core model was achieved after consulting several times the requirements specification document in order to assure the best modeling of the real world system. The further step was designing the software model and it was already agreed to use Object-Oriented Modeling as one of the most used techniques based on the advantages it offers.

4. Implementation

The next step is the implementation of the software for interacting with the database and most importantly offering a user friendly interface to do so. E-Bill platform everyday make a copy of the previous day registered regularly on Billing System on a day routine, meaning the E-bill platform is one day in delay with the main DB of Billing System from which gets the data and fulfill the others tasks for generating the invoices platform for the clients registered and requiring their data.

The communication between the database and the software includes:

- Storing data/information into the database
- Modifying data/information already stored in the database
- Retrieving and consulting data/information

Each user of the application should fill identification requirements in order to login in its personalized interface and use the application and its features.

Security infrastructure is essentially required to protect the systems (servers and personal computers), software, applications and the data that are being used in the E-bill, where invoices and data cleaning forms are made available in to be accessed, printed or fulfilling data.
5. Conclusions

With the initiative of the ICT Director and full support of Sales Division Director and Customer Care Director of CEZ Albania/CEZ Shperndarja it was established a working team for the analyses, design and implementation of E-Bill system.

The goal of this project was to develop E-Bill platform helping all around Albania CEZ Shperndarja customers generating their electricity consumer invoices monthly, historical invoices and updating their personal contractual data on Billing System through Data-Cleaning form.

To this end, we claim that a path-based incremental development approach, in which users are involved in evaluating each increment, is a good approach for appropriate technology Web applications.

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Inflammatory Joint Disease of an Individual from
St. Emmeram Cathedral, Nitra, Slovakia (14th – 18th Century AD)

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Abstract

The paper presents pathological findings of one individual from the St. Emmeram Cathedral, where osteological remains were excavated during archaeological examination of the site Nitra - Castle hill, especially Nitra - Cathedral in 2008 and where bishops, canons and children (probably from aristocratic families) were buried since 14th till 18th century AD. The purpose of this study was determining pathological finding of skeletal remains of an individual from grave no. 235. Skeletal remains consist of right and left tibia, part of the left fibula (diaphysis with distal epiphysis) and foot bones, making ankylosis. Skeletal remains were anthropological analysed and sex of the individual was confirmed by aDNA analysis for increasing accuracy and reliability in sex determining. Presented osteological remains were anthropomorphological and paleopathological determined and diagnosed by RTG and CT scans to establish inflammatory disease of feet. After anthropological examination and widespread carefully study of osteo-archaeological and paleopathological literature we conclude on fact, that ankylosis was likely caused by rheumatoid arthritis (RA).

Keywords: foot, tarso-metatarsal ankylosis, inflammatory disease, paleoanthropology, Post-Medieval Period, radio-diagnostic examination.

1. Introduction

1.1 Rheumatoid Arthritis

Rheumatoid arthritis (RA) is a chronic inflammatory disease, in which cells of the immune system attack healthy joints. RA is the most considered to be a systemic autoimmune-mediated disorder of all connective tissues (Horáčková, Strouhal and Vargová 2004). Etiology of RA is unknown, but there is acceptance of the hypothesis that it is the result of some environmental stimulus (probably an infectious organism of some type) acting on a genetic predisposition for the disease, which creates the pathological autoimmune response that destroys joint tissue (Fox 2001). The disease most
frequently manifested in the fourth and fifth decades of life and continues through the life time of individual. Inflammatory process usually affects several joints and is usually symmetrical. In some cases, ankylosis may fuse carpals and tarsals into solid blocks (Ortner 2003). There is prevalence in incidence of disease at female population; RA affects 1% of men and 3% of women (Arnett et al. 1988).

1.2 Archaeological context

During the years 2008 – 2009, there was archaeological recovery research focused on the interior of the St. Emmeram Cathedral in Nitra (Figure 1). About 30 graves were excavated and dated to the Modern Period, 14th – 18th century AD (Bednár and Poláková 2011).

For the purpose of this study we focused on individual from grave no. 235 (individual K 235), where foot ankylosis was observed. Because of unknown etiology of this paleopathological finding we tried to investigate the process of formation of this ankylosis with available methods and radio-diagnostic techniques.

![Figure 1: Nitra, Nitra – Castle in Slovakia, St. Emmeram Cathedral (basis of map http://upload.wikimedia.org/wikipedia/commons/thumb/a/aa/Slovakia_topo.jpg/800px-Slovakia_topo.jpg, photo of the Nitra – Castle http://www.mojacesta.wbl.sk/Nitra-a-jej-historia.html).](image)

2. Material and Methods

Individual K 235 was detected during recovery research at probe 2B, situated at western side of the probe 2. Orientation of grave was in West-East direction (the head to the West). Grave pit was clearly visible and observed at the depth 120 cm from the current floor of the church. It had been detected after reduction of the loose dusting powder of the K 225, that violated from the western part and reduction of layer of K 229, which overlapped it. Based on the position of the lower extremities in situ, we could assume that skeletal individual was probably placed in a supine position, with extended arms and legs. State of preservation of remains was good, but grave was breached and by the research only the lower extremities, feet bones were successfully exhumed. Under the bones, as well as on the sides of the grave pit, was preserved wood from coffin. While exhuming skeletal remains, organic material was found under both lower legs, which is likely form of the lining of the coffin. In general, we can date grave to the 15th up to half of the 16th century AD.

The aim of this study was diagnosing of the pathological finding of the individual K 235 by methods of Ortner (2003), Ortner and Puttschar (1981) and Horáčková, Strouhal and Vargová (2004). Standard morphoscopic and morphometric methods by Knussmann (1988), Martin and Saller (1957), for the analysis of skeletal remains, were applied.

Individual age was estimated from maturation of skeleton based on epiphyseal closure (McKern and Stewart 1957, Buikstra and Ubelaker 1994). For sex determination were used methods of metric analysis by Olivier (1963), and Iscan and Miller-Shaivitz (1984) and aDNA analysis. aDNA analysis was instituted for increased accuracy and reliability in establishing the sex of this individual. Strict precautions were adhered to during each step of the sample preparation to eliminate risk of contamination by recent DNA (Pääbo, Higuchi and Wilson 2004). Extractions were performed three times and the sex determination results were verified for each extraction. The examined bone was initially exposed to UV light
for 15 min on each side to deactivate possible modern contaminant DNA. Bone sample was taken from compact bone of the left tibia diaphysis. A minimum of 2 mm thick outer surfaces of the bone section was removed by scraping with sterile disposable scalpels, in accordance with Bouwman et al. (2006). The sample was then reduced to fine powder using liquid nitrogen. Powdered bone was washed twice in 0.5 M EDTA solution (pH 8.0) and in lysis buffer. Bone powder was resuspended in lysis buffer and 15 ml proteinase K (20 mg/ml) and incubated for 18 h at 56 °C. DNA was isolated by the SiMax™ Genomic DNA Extraction kit (Ecoli). To determine the sex, genetic markers on the sex-determination region Y (SRY) on the Y chromosome and the sequence on the macrosatellite DXZ4 on the X chromosome were amplified, using nested PCR. The primer pairs used for genotyping gave 91 bp (X) and 102 bp (Y) products. The applied PCR assay and primers were designed by Luptakova et al. (2011) and Palmirotta et al. (1997).

Radiodiagnostical processing of material was realised by company Jessenius - Diagnostic Center, JSC in Nitra. The examination consisted of Anterior-Posterior projections made on a digital X-ray device DIGIGRAPH 9, and scanning of transversal sections at device Siemens Definition Flash 2x128 slice, followed by post-processing 3D assessment (by software TomoCon Lite). The method is based on the principle of collection and computer processing of large amount of data about value of the absorption of X-rays. They are obtained by a source of radiation - X-ray and its opposite detectors rotating around the object of interest. Subsequent computer processing is then able to assign in a given section to each point in the space corresponding absorption value and display it at grayscale on the monitor. This mathematical procedure is called tomographic reconstruction and its essence is the inverse Radon transformation. Pathological finding was investigated by the modern type of computed tomography by spiral (helical) method. It is a three-dimensional imaging method that collects data from a particular volume. Consequently, from these data, referred as "raw data", are reconstructed slices at the required levels.

3. Results and Discussion

3.1 Osteological analysis of skeletal individual K 235

Skeletal remains of the individual K 235 consist of the right and left tibia, part of the left fibula (diaphysis with distal epiphysis with postmortual fracture) and foot bones, showing pathological changes (see the Figure 2).

On the left side of the foot, we observe especially: calcaneus, talus, os naviculare, os cuneiforme mediale, os cuneiforme intermedium, os cuneiforme laterale, os cuboideum, ossa metatarsalia I, II, III, V. On the ride side of foot were observed: calcaneus, talus, os naviculare, os cuneiforme mediale, os cuneiforme laterale, os cuboideum,ossa metatarsalia I, III, phalanx proximalis digit pedis I.

Figure 2: Human skeletal remains, individual K 235 (photo: Tonková, 2013).

Based on the macroscopic anthropological analysis, we could not certainly assume age and sex of the individual because of absenting or damaged the other skeletal remains (especially skull and pelvis). Age of the individual was estimated as adultus II and older. Metrical methods of sex determination by Olivier (1963), and Iscan and Miller-Shaivitz (1984) indicate on likely male sex. Consequently, we decided to increase accuracy and reliability in sex determining with aDNA analysis (genetic analysis). An individual is classified as male where both the DXZ4 and SRY products are detected. Therefore, based on both analyses, we could consider male sex of this individual.

According to the standard osteometrical analysis of the human skeletal remains of K 235, there were found metrical attributes. Particular values of measurements are given in the tables (Table 1, Table 2).
Table 1. Metric characteristics of left and right tibia (K 235)

<table>
<thead>
<tr>
<th>Tibia</th>
<th>dex</th>
<th>sin</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1 - Total Length</td>
<td>367</td>
<td>366</td>
</tr>
<tr>
<td>T1a - Maximum Length</td>
<td>371</td>
<td>374</td>
</tr>
<tr>
<td>T1b - Medial Length</td>
<td>364</td>
<td>465</td>
</tr>
<tr>
<td>T3 - Maximum Proximal Epiphyseal Breadth</td>
<td>78</td>
<td>80</td>
</tr>
<tr>
<td>T6 - Maximum Distal Epiphyseal Breadth</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>T8 - Maximum Midshaft A-P diameter</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>T8a - A-P Diameter at the Nutrient Foramen position</td>
<td>33</td>
<td>34</td>
</tr>
<tr>
<td>T9 - Midshaft transverse diameter</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>T9a - Transverse Diameter at the Nutrient Foramen position</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>T10 - Circumference of the Diaphysis</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>T10b - Minimum Circumference of the Diaphysis</td>
<td>74</td>
<td>77</td>
</tr>
</tbody>
</table>

Table 2. Metric characteristics of left fibula (K 235)

<table>
<thead>
<tr>
<th>Fibula</th>
<th>sin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fi1 - Maximum Length</td>
<td>x</td>
</tr>
<tr>
<td>Fi2 - Maximum Diameter at Midshaft</td>
<td>16</td>
</tr>
<tr>
<td>Fi3 - Minimum Diameter at Midshaft</td>
<td>13</td>
</tr>
<tr>
<td>Fi4 - Midshaft Circumference of the Diaphysis</td>
<td>46</td>
</tr>
<tr>
<td>Fi4a - Minimum Circumference of the Diaphysis</td>
<td>41</td>
</tr>
</tbody>
</table>

3.2 Description of pathological finding

Skeletal remains of the individual K 235 consist of lower extremities. Because of absence other part of skeleton, pathological changes were observed only on both feet, with no signs of pathological process on the other parts of skeleton as tibia (dex. et. sin.) and fibula.

Based on macroscopic observation we could say that probably long-term inflammatory process caused significant pathological changes. We observed markedly damaged surface of feet bones. Inflammatory process probably destroyed the articular cartilage and it became completely destroyed, articular surfaces become irregular and deformed. Bone erosion was also observed on the contour of articular surfaces of joints.

Based on radiodiagnostical analysis of the individual K 235, the marks of decalcination of skeleton, which is more pronounced periarticular / osteopenia / with erosive - destructive damage of, especially of the intertarsal articulation were observed in the CT image. Erosive destruction of articular facets of tarsal bones, with cortical usurations, subcortical geodes marked with sclerotic rim were also observed.

As most striking, an ankylosis of tarso-metatarsal segments (especially os naviculare, os cuneiforme mediale, os cuneiforme intermedium, os cuneiforme laterale, ossa metatarsalia I, II, III) of the left foot and ankylosis of the first metatarsal bone and phalanx proximalis of the great toe of the right foot (Figure 3) were detected as probably the terminal feature of the pathological changes. Based on analysis we could conclude that both of feet were occurred, and manifestation of inflammatory process was uniformly developed. Subchondral sclerosis of articulation facets of talus and calcaneus observed, and erosive changes in the posterior cortex of the calcaneal tuber of the left foot were also detected. Hallux valgus of the right foot was detected, with signs of erosive - destructive arthritis, periarticular calcifications and with ankylosis of I. metatarsophalangeal articulation of the right foot.

On the basis of literature (Figure 4) and radiological examination (Figure 5), we could say that in the articular areas of joints were also detected an osteolytic lesions like cysts, also called geodes. Based on comparison from other studies (Cruickshank, Macleod and Shearer (1954), Freund (1940) and Bywaters (1964)) we could say that those geodes are a well-recognized manifestation of rheumatoid arthritis. Most investigators have suggested that subchondral radioluencies in rheumatoid disease result from inflammatory changes in the synovial lining of the articular cavity to creating pannus, which extends across the cartilaginous surface and eventually destroys cartilage and bone.

Even after radiodiagnostical examination and detailed macroscopic analysis we did not find any inflammatory lesions on the other part of the lower extremities (Figure 6).
Figure 3: Ankyloses of the feet bones (left figure, photo: Tonková 2013), radiograph of the feet (right figure, author: Jessenius - diagnostic centre, JSC. 2013), anterior view of the individual K 235.

Figure 4: Pannus invading subchondral bone (arrows) resulting in trabecular erosion with formation of geodes (arrowheads) (Resnick, Niwayama and Coutts 1977).

Figure 5: Subcortical geodes (orange arrow), individual K 235 (CT scan, author: Jessenius - diagnostic centre, JSC. 2013).

Figure 6: Lower extremities without signs of pathological process, anterior view of the individual K 235 (radiograph, author: Jessenius - diagnostic centre, JSC. 2013).
3.3 Differential diagnosis

Because of taphonomical condition during decomposition, it is difficult to differentiate pathological conditions of joints in dry bone specimens. Therefore we decided to work out differential diagnosis to explain the etiology of pathological finding of the individual K 235.

Following potential diseases were taken under consideration:

A) At first, we hypothesized on spondyloarthropathy. Spondyloarthropathy (SpA) includes Ankylosing spondylitis, reactive arthritis, psoriatic arthritis, arthritis related to inflammatory bowel diseases, as well as undifferentiated SpA (Kim, Uhm and Inman 2005). Skeletal involvement in diseases of spondyloarthropathies group tends to be asymmetric and predominantly affects sacroiliac joints and spine, lower extremities are less commonly affected. The most commonly affected joints in ankylosing spondylitis are the sacroiliac joints, the joints of the spine, and the costo-vertebral joints. In the appendicular skeleton the most common parts are hips and shoulders (Van der Linden and Van der Heijde 2001). Ankylosing spondylitis prevailingly involves males and reactive bone formation and ankylosis is common feature (Ortner 2003).

In case of psoriatic arthritis, as a seronegative spondyloarthropathy associated with the chronic autoimmune skin disease psoriasis (Benett 2000), equally it is observed affection at male and female. It is more commonly polyarticular disease. The joints manifestations include erosive destruction, which may be very similar to rheumatoid arthritis or ankylosing spondylitis (Hellwell and Wright 1998). Benett (2000) report that bone density in psoriatic arthritis remains is normal, unlike the osteoporosis associated with rheumatoid arthritis. Gladman and Rahman (2001) assume that psoriatic arthritis is probably the result of a genetic predisposition of the disease in which an infectious agent (streptococcal organism) leads to an atypical immune response.

We would like to draw attention to the fact that individual K 235 consists of the lower extremities, and other parts of the skeleton are absenting. Therefore we could not describe, observe pathological changes like ankylosing spondylitis and psoriatic arthritis on the other parts of the skeleton. Second fact is that observed pathological changes of the individual K 235 were noticed symmetrical on both feet.

B) In the second group of diseases, that may affect joints of the feet are erosive arthropathies as a gout (arthritis uratica) and neuropathic osteoarthropathy - Charcot foot. The most common causes of Charcot joint are tabes dorsalis, a late manifestation of neurosyphilis, syringomyelia, diabetic neuropathy and traumatic nerve damage. As a result of disease could be severe destruction, attrition, and fragmentation of the joint ends of the bones, osteoporosis or osteosclerosis and transmetatarsal pathological fracture. Severe eburnation and articular grooving, as well as reactive exostoses of superimposed degenerative arthritis should be observed. The involved joint could be knee, hip, shoulder, ankle, tarsus and elbow (Ortner 2003). In case of gout, there is a strong sex predilection that 9 of 10 patients are males. Gouty arthritis affects mostly joints of the extremities and the most common location is the metatarsophalangeal joint of the great toe (Ortner and Putschar 1981). In the worst stage of the disease at the periphery of the joint gouty tophi - clusters of urate are presented, that in the tissue act as a foreign body and cause focal osteolysis with necrosis. Osteolytic lesions of sclerotic rim are created around (Horáčková, Strouhal and Vargová 2004).

In comparison with our skeletal individual K 235, eburnation or scooped-out defects were not observed.

C) As the most probable diagnosis for our finding is foot alteration affected by rheumatoid arthritis. RA usually involves multiple joints and is frequently symmetrical. The most common resulted from inflammatory process which affected hands, feet, wrists and elbows (Roberts and Manchester 1995). The disease process starts with inflammatory infiltration and proliferation of the synovium, and destroys and disfigures the joint. Untreated cases ended with loosening of the joint with subluxation or ankylosis. Carpalometacarpal and tarsometatarsal joints may also be found ankylosed. Usually in flexed position are observed ankylosis of the large joints and interphalangeal joints. Ortner and Putschar (1981) claim that excessive bone resorption, probably on a basis of neurovascular disturbance, is occasionally observed. It occurs most frequently on hands or feet, resulting in concentric atrophy of metacarpals, metatarsals, and phalanges.

We compared our pathological finding with other findings described in available literature. We chose examples of very similar or even equal cases of probable RA from studies of Boston et al. (2009) and Ortner and Putschar (1981). Boston et al. (2009) detected lesions consistent with rheumatoid arthritis on feet of one ageing female (no. 5041, St George’s Church, Bloomsbury, England). The tarsals of the left foot had fused and the right hand was also affected by inflammatory process. Ortner and Putschar (1981) describe another possible case of RA at the skeletal remains of the individual excavated in Cathedral Green and Winchester, England (MNNH XXIII, Burial 2.) Probably, there was a bilateral...
ankylosis of most tarsometatarsal joints accompanied by marked osteoporosis. The interphalangeal joint of the right great toe was fused as well. One more case of possible RA was described in work by Horáčková, Strouhal and Vargová (2004). Ankylosis of feet joints caused probably by inflammatory process was observed at adult individual from St. Peter and Pavol temple, Brno, Czech Republic.

4. Conclusion

Based on anthropological examination, radiological examination and widespread carefully study of osteo-archaeological and paleopathological literature we conclude, that ankylosis was most likely caused by rheumatoid arthritis (RA). There exists one more possibility- whether inflammatory changes could not be caused by the CRA - chronic reactive arthritis. For increasing accuracy of our results and resolve this possibility it might be appropriate to take another molecular or genetic analysis to confirm the etiology of pathological finding.

Our results point to the fact that RA was also presented at the historic populations and not just presented as a disease of current human population.

5. Acknowledgement

This work was supported by VEGA Grant No. 2/0034/11 – “Characteristic properties of components of the material culture from medieval settlements and burial places” and grant No. VII/51/2013 – “Anthropological expertise of the skeletal remains of individuals from the locality Nitra - Castle Hill, with a focus on exploration and assessment of the paleopathological findings”.

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Figure 1: basis of map online available: http://upload.wikimedia.org/wikipedia/commons/thumb/a/aa/Slovakia_topo.jpg/800px-Slovakia_topo.jpg, (accessed June 2013).

The Contribution of Spatial Images in the Prevention of Natural Flood Risk and Its Effects on Human Societies

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Abstract

We know that global climate change has many local impacts on environment and populations, particularly through increased flooding. These affect more and more great cities. The consequences are devastating with important stakes on several plans: society, human, economic, financial and environmental. Reduce damage and protect populations at risk of flooding is essential. This relationship "nature-society" can only be interdisciplinary as factors to control are numerous and complex. The objective is to provide an early warning system for floods that combining the waterside communities and their needs, the political decision-makers and different scientific fields (geography, remote sensing, hydraulic, mathematics, modeling...). The experience takes place on two ponds hillsides tributaries of the Garonne in the south of France. Variable areas (500 to 1000 km²) with lengths of 50 to 70 km, these two rivers converge to on the large city of Toulouse. But what prognostic issue without understanding the past and present of the contemporary evolution of land use, rural landscapes and the growth of urban areas; all these key factors of flood hazards and the spatial extension of water during floods. The retrospective spatial analysis by means of satellite images with fine resolutions allows to establish a reliable, perceptible and quantifiable diagnosis to meet the needs of populations. All these data are then integrated into a chain of forward-looking models.

1. Introduction

Les risques naturels connaissent une extension considérable sur l’époque contemporaine. Pour s’en convaincre et se rendre compte de leurs ampleurs, de leurs fréquences en augmentation constante, au-delà des nombreux cris d’alarme de scientifiques de par le monde, il suffit de regarder les statistiques des assureurs.

En effet, la population mondiale ne cesse de croître. En conquérant toute la planète, elle tend à se concentrer dans de vastes agglomérations ou conurbations plus ou moins tentaculaires, si bien, que les catastrophes naturelles, les ouragans, les séismes, les inondations, les incendies, la sécheresse… ont des impacts de plus en plus graves sur les environnements urbanisés et les habitants qui y vivent. Les dégâts matériels et humains sont généralement considérables même dans des pays développés respectant les normes sismiques en vigueur pour leurs constructions : le terrible séisme de Kōbe de au Japon est venu nous le rappeler.

La France n’échappe à ce contexte mondial, comme le montre bien les figures 1 et 2, où l’inondation -et les coûts qu’elle engendre-, est la toute première cause des risques naturels :

Fig. 1 : Les événements naturels dommageables en France de 1900 à 2007

Fig. 2 : Les inondations et autres événements naturels très graves en France entre 1950 et 2007

Source : Meeedm (DGPR), bases de données sur les catastrophes naturelles depuis 1900 en France, septembre 2009 - et Medd (DPPR), "Les événements naturels dommageables en France et dans le monde en 2007". Note : Événements de gravité 3 ou plus (ayant fait plus de 10 morts ou plus de 30 millions d'euros de dommages matériels).

La présente communication se propose d'exposer les lignes directrices d’une méthode interdisciplinaire d’approche de ce risque sur un terrain expérimental situé dans le sud ouest de la France. Méthode et analyse tendent à prendre en compte l’intégralité du phénomène. Certes le cours d’eau lui-même, son tracé, son débit, ses crues mais également son bassin versant avec ses différents aspects sociétaux et environnementaux rassemblés dans leurs imbrications mutuelles.

L’accent est en particulier mis sur l’analyse historique récente et rétrospective que l’on peut envisager grâce au recul et à l’apport des images satellitales à hautes résolutions spatiales. Pourvues de caractéristiques techniques constantes au fil du temps, les enregistrements réguliers d’images satellitales de la surface terrestre permettent de rendre compte des dynamiques paysagères, de l’occupation du sol, de l’emprise, de la diversité et de l’impact des activités humaines sur leur territoires, dont l’extension urbaine. Cet outil ainsi valorisé, apparaît comme un des maillons de la chaine de traitement de l’information spatiale autorisant une plus grande maîtrise de la vulnérabilité structurelle d’inondation, autrement dit, percevoir l’influence des éléments constitutifs du territoire sur les écoulements en cas de crues.

2. Un contexte interdisciplinaire

Nous partons du constat que le phénomène d’inondation -et la vulnérabilité qui en découle- est un phénomène complexe, récidivant et aléatoire qui met en jeu des interactions fortes « nature – société ». Il serait donc prétentieux ou illusoire de vouloir l’analyser soit sur un plan purement social, soit sur un plan purement hydrologique. Les résultats en seraient forcément biaisés, incomplets, partiels tels les interactions multiples y sont présentes, emboîtées même.

Ainsi, pour tenter de répondre au mieux à sa complexité, notre étude est partie prenant d’un programme de recherche dénommé « AMAC » (AMélioration de l’Alerter aux Crues - Improving Flood Alert) ; programme méthodologique. Il rassemble :
- deux laboratoires de sciences sociales et humaines (GEODE- Géographie de l’environnement ; LMTG, sociologues) ;
- deux de sciences exactes (IMFT, Institut de Mécanique des Fluides de Toulouse ; IMT- Institut de Mathématiques de Toulouse) ;
- deux organismes de recherche et de service (le SCHAPI de Météo France -Service Central d’Hydrométéorologie et d’Appui à la Prévision des Inondations- et la DREAL Midi-Pyrénées - Missions du Service Risques Naturels et Ouvrages Hydrauliques).
Le projet est piloté par l’IMFT.
Figure 3. Ensemble des disciplines, des thématiques et des outils imbriqués dans le Programme AMAC

Comme nous l’avons retracé sur les figures 3 et 4, ce projet a vocation à intégrer, autant que faire se peut, la totalité du processus de l’aléa inondation. Il forme en quelque sorte une chaîne de traitement centrée sur les besoins des populations riveraines concernées.

L’organigramme de la figure 4 décompose la succession des tâches et articule la chaîne de traitement de l’aléa. Elle aborde et intègre des parties thématiques relevant de la sociologie, de l’histoire, de la géographie, de l’hydrologie, de la modélisation et des mathématiques.

A un bout de cette chaîne, tout l’apport historique des inondations, leurs fréquences, la réglementation en vigueur, le rôle des élus politiques et des gestionnaires en temps de crise ouverte à tous les niveaux de la prise de décision ; de l’autre, la modélisation hydraulique pour simuler d’un point de vue physique les éventuels divagation des rivières et, par conséquent, les dévastation potentielles lors de crues.

Ainsi le projet compte répondre à la prévision, l’alerte et la gestion de crise par une synchronisation de multiples données intégrées dans un système d’information géographique (SIG) pour appuyer l’alerte aux inondations ; sauver des vies humaines et limiter les dégâts matériels.

Fig. 4. Organigramme de l’ensemble des tâches interdisciplinaires du Programme AMAC

Un des aspects de cette chaîne de traitement de l’aléa d’inondation, est de mettre en avant ce nécessaire recul historique et géographique fondé sur l’analyse de toutes les mesures hydrauliques depuis un siècle, joint à une approche spatiale de l’évolution de l’occupation du sol sur le temps contemporain récent.
Sur ce dernier point, ces données, issues du traitement de l'information spatiale fournie par des satellites à hautes résolutions spatiales, s'intègrent parfaitement à la présente chaîne de traitement interdisciplinaire comme le précise le programme de recherches communs :

« La vulnérabilité revêt plusieurs dimensions : structurelle, fonctionnelle, territoriale, sociale, institutionnelle, individuelle, collective, psychologique, économique, etc. La compréhension fine de la vulnérabilité sociale et territoriale, objet de notre étude, nécessite l’analyse du contexte local, et en l’occurrence la mise en évidence de la vulnérabilité structurelle. Nous proposons donc, dans un premier temps, de préciser la localisation des principaux enjeux, à partir d’une méthode reproductible : la télédétection à résolution fine. Nous mettrons ensuite en évidence les premiers indicateurs de vulnérabilité sociale, à travers la mise en œuvre des documents réglementaires d’aménagement du territoire et de gestion de crise. » (AMAC - Rapport Juillet 2011)

3. Deux bassins versants : sites expérimentaux

L’étude a lieu dans la région sud-ouest de la France, en amont de la grande agglomération de Toulouse traversée par le fleuve La Garonne. Entre le massif des Pyrénées et Toulouse, deux cours d’eau de la Région Midi-Pyrénées, le Touch et la Lèze, l’un affluent de la Garonne, l’autre de l’Ariège, constituent l’assise spatiale de cette recherche.

Leurs bassins versants, de taille moyenne, atteignent respectivement une superficie de 515 km² et 351 km². Relativement courts, leurs longueurs est de 75 km pour le Touch et de 70 km pour la Lèze. Le débit moyen annuel du Touch s’élève à 3,92 m³/s et celui de la Lèze à 2,01 m³/s.

![Fig. 5. Localisation des bassins versants du Touch et de la Lèze et incrustation de leurs lits (Bleu) dans les BV (Rouge) en Région Midi-Pyrénées – France.](image)

D’un point de vue géographique, le bassin versant du Touch a une altitude comprise entre 349 m et 132 mètres, tandis que celui de la Lèze, plus pentu, part de 406 m à La Bastide-de-Sérou pour rejoindre Labarthe sur Lèze à 151 mètres.

Le Touch, au tracé quais rectiligne, prend sa source sur la commune de Lihac et se jette dans la Garonne à la hauteur de Blagnac. Traversant 61 communes, il circule en pentes faibles dans une région pénéplanée façonnée par des alluvions anciennes de la Garonne sur des terrasses marneuses et limoneuses.

La majeure partie de l’environnement qui le borde, est celle d’une agriculture intensive avec de nombreux champs circulaires et irrigués le plus souvent dédiés au maïs, tandis qu’en aval, il traverse de grandes agglomérations juxtaposées dans le périmètre du Grand Toulouse, dont Seysses, Plaisance du Touch, Tournefeuille, Saint-Martin du Touch. Les haies végétales ont disparu mais quelques massifs boisés, épars, sont encore perceptibles sur les parties les plus élevées des terrasses alluviales, tout comme de nombreuses retenues d’eau et petits barrages artificiels.

La Lèze prend sa source sur le piémont pyrénéen (le Plantaurel) à une latitude de 575 m et se jette dans l’Ariège, elle-même affluent de la Garonne. Son tracé serpente davantage que le Touch, avec deux directions majeures, d’abord du sud-est vers le nord-ouest puis, à la hauteur de Saint Sulpice sur Lèze, bifurque vers le nord-est. Au sortir du contrefort pyrénéen accidenté et très forestier, les paysages bordant son cours en plaine, collines et terrasses alluviales sont constitués de champs cultivés relevant d’une agriculture intensive (maïs, soja, céréales). À la différence du Touch, la Lèze est jalonnées de petites agglomérations disjointes, dont Lézat sur Lèze, Saint-Sulpice sur Lèze et Labarthe sur Lèze. Enfin, on notera que ces deux cours d’eau sont bordés d’une ripisylve étroite mais quasi continue.
La superposition des deux lits (bleu) au sein des deux bassins versants (rouge) dévoile, sans contestation possible, l’élargissement du lit de la Lèze en son débouché aval, à l’endroit même d’une implantation urbaine. Celui du Touch est certes plus étroit mais traverse dans sa partie aval un urbanisme continu. Dès lors, on commence à mesurer les enjeux environnementaux et les dégâts potentiels que peuvent provoquer les crues de ces deux cours d’eau.

D’autant que les archives historiques et les services hydrologiques actuels permettent de dater et d’établir la fréquence des crues qui s’établissent ainsi :


4. Méthodologie d’identification de la vulnérabilité structurelle par télédétection

Nous présentons la méthodologie mise en œuvre pour reconstituer la dynamique environnementale par télédétection de 1984 à 2010 et spatialiser les structures paysagères susceptibles de contribuer aux inondations ; éléments surfaciques permettant de contraindre le modèle hydrodynamique afin d’améliorer ses prévisions.

4.1 Recensement, sélection et préparation des images

Pour couvrir l’intégralité des deux bassins versants géographiquement assez disjoints, après inventaire de l’existant et de leur qualité spectrale, 34 images du satellite Spot dépourvues de couverture nuageuse ont été acquises. La Commission ISIS (Incitation à l’utilisation Scientifique des Images SPOT ; Réf. dossier ISIS 508), la Société Spotimage-Astrium et le CNES de Toulouse (Centre National d’Etudes Spatiales) ont aidé à la réalisation d’un tel projet.

Ces images couvrent la période contemporaine de 1986 à 2010. Elles possèdent des résolutions spatiales diverses allant de 20 à 5 mètres. A ces images Spot, pour prétendre à un recul maximal, nous avons adjoint une image Landsat-TM datant de juillet 1984 avec une résolution de 30 mètres ; la plus ancienne existante, celle de 1975, n’étant guère lisible. L’ensemble des images Spot ont été rassemblées géométriquement autour de 11 dates clés sur cette période selon les considérations suivantes :

- avant et après les crues décennales de la Lèze en Juin 2000 (débit instantané maximal de 144.0 m3/s et hauteur maximale instantanée 291 cm le 11 juin 2000 à 23h24), et celle du Touch le 5 février 2003 (débit instantané maximal de 105.0 m3/s ; soit l’équivalent d’une crue trentennale) ;
- la plus éloignée des dates disponibles et la plus récente pourvue d’une meilleure résolution spatiale.


L’ensemble des images Spot et Landsat a été France sous le logiciel Arc-Gis. Aussi se superposent-elles au pixel près. Leur projection spatiale est conforme au Lambert-93, usuel en France. Leurs résolutions spectrales couvrent le domaine du visible (Vert et Rouge) celui de l’Infrarouge, proche (PIR) et moyen (MIR) ; leurs résolutions spatiales s’étendent de 30 à 10 mètres.

Ensuite, toute l’information multispectrale de ces images a été traitée sous le logiciel Er-Mapper.

4.2 Classification supervisée des images Spot et Landsat


Les traitements ont été réalisés date par date ; l’objectif étant de dresser un état régulier de l’occupation du sol sur les deux sites, qualitatif et quantitatif. La nomenclature définie est donc volontairement limitée pour ne mettre en valeur et cartographier que les éléments majeurs censés avoir un impact sur l’aléa inondation. La nature physique de ces derniers renforce ou limite l’écoulement des eaux. Elle s’établit ainsi : Sol nu, Urbain, Culture-Prairie, Forêt, Eau.

Une des difficultés majeures à résoudre dans le traitement du signal radiométrique d’un tel milieu hétérogène agricole et urbain est celui de la confusion spectrale potentielle -inhérente à cet outil- entre le milieu urbain et certains sols nus. En effet, les tuiles des maisons ne sont-elles pas des argiles cuites issues des terrains alentours ?

Cette difficulté a d’emblée été prise en compte. Nous avons opté pour des classifications d’images à partir des canaux d’origine alliés à un néo-canal faisant appel à la morphologie mathématique en télédétection. Notre choix s’est porté sur un « filtre de dispersion appliqué à une image ACP ». Ce néo-canal est ainsi calculé et dont on aperçoit les différents résultats visuels sur la figure 6 :

- Analyse en composante principale (ACP) sur les 4 canaux bruts (V, R, PIR et MIR) ;
- Linéarisation à 99 % ;
- sur l’ACP, un filtre de convolution (fenêtre 5x5) avec delta de 10, le résultat est ensuite moyenné par un filtre 11x11.

Cette méthode tend à mieux discriminer les éléments texturaux présents dans le domaine urbain des sols nus aux textures lisses. Une soixantaine de parcelles d’apprentissage ont ensuite été sélectionnées sur chacune des images. Aux parcelles de Sol nu, Urbain, Culture-Prairie, Forêt, Eau, une nouvelle classe, dénommée « Transition », a été créée comme transition spectrale reflétant un domaine hétérogène composée d’urbain pavillonnaires plus ou moins végétalisés et de textures pointillées ainsi que certains sols nus eux-mêmes plus ou moins végétalisés.

L’algorithme statistique probabiliste choisi pour les classifications est le Maximum Likelihood Standard Neighbor (MLSN) ou Maximum de Vraisemblance Standard avec filtre de voisinage de 3x3.

La radiométrie traitée peut être visualisée par ces diagrammes multispectraux pris deux à deux (Figure 7). On remarque la meilleure dispersion des valeurs spectrales que procure le néo-canal « ACP-Convolution ».

L’analyse des histogrammes bidimensionnels et des signatures spectrales des 5 thèmes (sauf Transition) (Fig.7 - exemple, image Spot 2010) est très utile pour observer la répartition multispectrale des pixels de chaque image et les confusions et les discriminations potentielles entre les parcelles-tests servant aux classifications :
5. Résultats et discussion

La figure 8 expose à petite échelle les quatre classifications des deux bassins versants selon la nomenclature décrite précédemment avec les codes couleurs par thèmes correspondants :

Les résultats quantitatifs et les graphiques afférents des différents types d'occupation du sol s’établissent ainsi :

Fig. 8. Résultats visuels des classifications des BV Touch-Lèze aux quatre dates tests.
Fig. 9. Résultats statistiques des classifications des images Landsat et Spot des BV Touch-Lèze


Mais à grande échelle, de nombreuses imperfections subsistent encore entre le milieu urbain et certains sols nus si bien que ces biais dans les résultats cartographiques sont aussi perceptibles sur les statistiques (Fig.9). En effet, la totalité du domaine urbain, avoisinant les 10 000 hectares, semble constant de 1984 à 2010 alors qu’en réalité, l’urbanisation dans cette périphérie de Toulouse n’a fait que croître. C’est dire qu’une partie de ce domaine est compris dans « Transition », entité non dissociable pour le moment.

Concernant le rapport de ces résultats avec les écoulements d’eau, la seule classe « urbaine » ne permet pas totalement de mesurer la vulnérabilité structurelle aux inondations. Il est cependant possible de réunir les trois postes « urbain-transition-sol nu » en une seule entité que l’on peut appeler « minérale » qui, de part sa nature, son état physique, favorise voire accélère les écoulements superficiels lors des crues. Quant à la localisation des massifs et des îlots forestiers en amont ou sur les terrasses les plus élevées des deux rivières, elle démontre que ces derniers ne constituent pas un frein aux écoulements comme pourrait l’être des haies végétales.

Localement la partie des recherches historiques du programme AMAC a pu mettre en évidence sous un même référentiel géographique (RGF93) les données urbaines du début du XIXe siècle (cadastre Napoléonien de 1807) et les données cadastrales actuelles datant de 1996 (Fig. 10)
Ainsi, sur cet espace, non seulement la croissance urbaine est évidente -elle passe de 37 à 2196 habitations en 1996-, mais l’habitat, beaucoup plus dense, s’est considérablement rapproché de la rivière, prenant ainsi davantage le risque d’être inondé.


Il s’avère que la hauteur d’eau de la crue de l’an 2000 reste modeste -inférieure à 2,15 m- si bien que peu d’habitations en ont été affectées et aucune dans la simulation au XIXe siècle. Mais des crues plus violentes pourraient s’étendre davantage aussi bien dans les plaines alluviales de la Lèze que du Touch et causer maints dégâts sur leurs passages (habitations, voiries…) comme cela vient de se dérouler sur le piémont Pyrénéens et à son débouché, en juin 2013.
6. Conclusions

Le programme AMAC connaît des avancées certaines mais n’est pas encore achevé compte tenu de l’ampleur des tâches à réaliser et à mettre en synergie. Les apports et les liens interdisciplinaires décrits dans l’organigramme sont en cours d’assemblage avec l’objectif de répondre à la « prévision, l’alerte et la gestion de crise », notamment à travers « la réalisation d’un SIG interdisciplinaire de caractérisation du risque et d’appui à l’alerte ». Nous avons développé ici certains éléments tant historiques que géographiques permettant d’envisager un diagnostique territorial fiable grâce aux outils et au recul temporel autorisés par l’analyse des archives sur les crues et la télédétection spatiale sur les sites-tests du Touch et de la Lèze.

Les données géographiques spatialisant le territoire en ses divers composantes, ont permis de remonter le temps jusqu’au début du XIXème siècle grâce aux cartes Napoléoniennes, cartes qu’il est possible de scannérer et de géoréférencer afin d’exprimer certaines vulnérabilités urbaines.

Des simulations de débordement des rivières et d’envahissement de la plaine d’inondation dans les conditions actuelles comme dans les conditions passées (simulation / crue de 1875 ; simulation dans le contexte XIXé siècle - Napoléonien) ont été expérimentées permettant de peaufiner les outils de modélisation hydraulique en réduisant les incertitudes associées aux prévisions du modèle hydraulique actuel.

Les résultats des premières enquêtes sociologiques auprès des riverains font ressortir deux aspects apparemment contradictoires. D’un côté, la mémoire assez fugitive de ces habitants qui ne se souviennent pas correctement ou trop partiellement des inondations qu’ils ont pourtant vécues, et, de l’autre, leur exigence d’être avertis au moins 48 heures à l’avance des éventuelles crues à venir. Ce qui, en l’état actuel du dispositif d’alerte français « Vigicrue », géré en temps réel par le Service de Prévision des Crues-Garonne, n’est guère possible.

Le traitement des données satellitales a rendu compte de certaines dynamiques environnementales, comme de l’implantation des habitations, par des cartographies et des statistiques sur deux grandes périodes temporelles : 1807 avec les premières cartes (Napoléon) puis de 1984 (image Landsat-TM) à 2010 (image Spot) sur les deux bassins versants expérimentaux sans omettre d’en préciser certaines limitations.

L’approche de la vulnérabilité urbaine mérite de plus amples recherches et mises au point avec des images satellitales aux résolutions spatiales encore plus fines -métriques et centimétriques-. Une perspective s’offre à nous à travers l’acquisition de nouvelles images à 50 cm de résolution spatiale issues des nouveaux satellites de la série Pléiades. De là seront envisageables des analyses plus fines au niveau des îlots d’habitations à l’intérieur de chacune des communes aussi bien que la perception et la mise en évidence des micro dénivelés topographiques à grande échelle. Ces données seraient à leur tour intégrées dans les modélisations hydrauliques et dans le système d’alerte et de gestion des crues.

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Development Alternatives in Rural and Unfavourable Areas in the Coastal Area of Ishem-Porto Romano for a Sustainable Development

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Abstract

Even though it seems that transition in Albania is over, there still remain some unfinished issues, in front of which is the thought and development of rural and unfavourable areas. In relation to policies for a sustainable development, it is necessary to start new development approaches for the rural areas and especially the unfavourable ones, which can offer more effective solutions having quicker balancing and integrating effects. Although it doesn’t have a considerable size with only 17700 ha, the coastal area of Ishem-Porto Romano consists of some unfavourable areas such as the Porto Romano area and some hilly territories having physical and social-economical conditions which provide a relatively low level of income as a consequence of non-productive land, lack of infrastructure, supporting facilities where therefore the private sector is not interested enough to invest in the current conditions. The challenges confronting these areas require integrated policies for a consistent and balanced social-economical development, based on the experience of the approaches adopted in the developed countries, relying on the modern concept of territorial development. Our research consists of an analysis of the new social-economical developments in this area and the approach towards new development alternatives, orientated by policies for a balanced and consistent development.

Keywords: Rural Areas, Unfavourable Areas, Sustainable Development

1. Introduction

The Ishem-Porto Romano coastal area seen from the viewpoint of a formal region, comprises an area with rural background which although it has a small surface of about 170 km², it consists of unfavorable areas as well. There are areas which include territories near the coast and hilly territories, having physical and social-economical conditions which provide a relatively low level of income as a consequence of non-productive land, lack of infrastructure, supporting facilities where therefore the private sector is not interested enough to invest in the current conditions. The area we are studying inherited a great economic blackwardness, a result of agro-ecological combination, isolation level, restricted land surface, land gradient and quality, infrastructure restrictions, lack of principal assets and facilities, etc.

The main activity of this area, even though it is a coastal area, was the agriculture sector. Collectivism of agriculture in the socialist period and fragmentation in small farms nowadays prohibits the increase of agriculture productivity. We can also mention the low level of technology (including irrigation system, mechanization, etc), access in the market, lack of credit and rural financial service, poor quality and high prices of inputs, low level of cooperation etc. Recently this area is experiencing development models based on the success of “tourism industry” combined with models of “local development” such as the road which waves the local potentials in the most sustainable way, and up to the model of “Energy Park” and “Biopark”.

The development of rural infrastructure, health and education facilities, economical restructuring comprise an important priority of developing policies of the recent years. Human and natural potentials offered by this area are aimed at being used efficiently and in a sustainable way.

Potentials such as human assets, traditional agro-food, tourism, forests, fishing, water resources, medicinal herbs, etc, comprise evidence of the acceleration of development rate and affect the social and economic life of the local community.

Our research consists of an analysis of the new social-economical developments in this area and the approach towards new development alternatives, orientated by policies for a balanced and sustainable development and integration from a rural area having unfavourable territories into a developed area. In order to conduct this research, we are referred and based on the contemporary literature about the concept of sustainable development, the observation of draft-projects.
of the study area, field observations and national strategies about the sustainable development. There have also been discussions with inhabitants of this area, stakeholders, members of local and central government.

Fig.1. Map of territorial management

2. General physical-geographical profile of the coastal area of Ishem-Porto Romano

The coastal area of Ishem-Porto Romano seen as a formal region is situated in the center of the Coastal Lowland of the Albanian Republic, extending from the estuary of the Ishem river in the North to the water-collecting canal of Porto Romano in the South. The estuary in the Adriatic sea, being close to the Durresi Port and Rrinas airport and near the Durres-Kukes road allows this region to have a favourable economic and strategic position. Based on the administrative aspect it includes the communes of Ishem and Katund i Ri.

It has mainly a field relief with some hilly alternations. The hilly relief is in the North in Rodony hills and Bisht Palla in south west and fields lie along the whole coast of Lalzi Bay with a gradient which decreases towards the sea, where you can see depressions up to 1.5 m. The height of the area varies up to 270 m based on the sea level. The major part of the land is agricultural land, while the primeval hydrophil forest is almost dispersed, and only some small parts of it are still present along the coast in the north of the estuary of Erzen river. In this area there are natural unfavorable territories as well in the field relief (Porto Romano) and the hilly one (Rodon). As unfavorable territories we can define: hilly realms where the gradient, lack of vegetation and erosion phenomena affect the reduction of the production season and the use of mechanization in agriculture, bog realms in depressive areas where there are often floods, salty surfaces and general unfavorable realms characterised by land of poor quality, low productivity or non-productive ones, low density of the population and areas having inherited chemical pollution as well. The study area has been subject to reclamation and deforestation during the past 50 years. The actual marshy parts are reminiscense of the previous moors.

3. New planning and orientations of economic development, approaches towards sustainable development

The study area as we highlighted above is included in a new social-economical development process where policies, plans and projects towards the social-economical sustainable development and reduction of differences of intersurface development and between different regions of the country are expected. In this context it is aimed at introducing new development approaches for this area, having the target of a more effective, more balancing and integrating solution of different social-economic factors, including the demographic ones, employment, welfare and the stimulation of a new role for the government.

The new economic development of the area is enabled not only by the natural and human potentials that it offers, but by the approach to the use of new technologies and the new role of capital assets and human resources. These
technologies are attempted to be adopted through developing projects in unfavorable territories such as the Porto Romano bay and the estuary of Erzen river.

Ambitious projects such as: Industrial Energetic Area of Porto Romano, Biopark (Katund i Ri) and “Lalzi Bay Resort” and the construction of some touristic villages in Lalzi Bay aim for the study area a focus on strategic investments (we can mention the energetic one) and a reduction of non-productive sectors (agriculture);

In this aspect the new economic developments will be oriented towards the efficient use of local resources and the increase of competition ability of this rural region. Through strengthening the local economic capacities, improvement of business and investments climate, increase of productivity, competition in the region and beyond, these developments will improve the facilities and social conditions. This development process intends not only reaching the maximum of efficiency of resources and potentials usage of the study area but minimizing the negative effects and factors about the development.

Some leading main principles of the new economic orientation of the local development of the coastal area Ishem-Ponto Romano should be1:

1. The development projects should base on the local economic and social conditions, building on the competitive advantages and territorial potentials offered by this area.
2. It should have an integrated approach including all the range of sectors and issues affecting the community (social, economic, environmental, spatial, etc.)
3. Focused on the promotion of a favourable environment for the development of local economy, absorption of investments.
4. Include balanced interventions between priorities and developing sectorial and infrastructural activities and those of social issues and increase of capacities and human resources, like necessary components for a sustainable development.

4. New projects and approaches of the economic development of the area

4.1 Energetic and Industrial Area of Porto-Romano

Actually a part of the investments in relation to the development strategic plans of rural and unfavorable areas in Albania, for the study area are concentrated in the area of Durresi onetime moor (the area of Porto Romano bay), which is not suitable for construction and inhabitation. Among the projects which are being implemented in relation to this development we can mention the “Energetic and Industrial Area of Porto Romano” Campus.

This area includes unfavorable territories from the natural and economical part, such as non productive agriculture land polluted by the ex Chemical Factory in Durres and affected by the sea erosion. Based on the administrative side it is part of the Katund i Ri commune and the selected area consists of a surface of 1367, where 810 ha are for the Energetic Park. Like unfavorable territories it includes 1166 ha non-productive agricultural land, 45 ha forest area, 114 ha regional land and 42 ha building plot and in general the area is characterized of marshy land of very poor quality2.

Fig.2. Porto Romano Energy Industrial Zone

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1 Adapted from Gwen Swinburn www.worldbank.org
2 Master of Energy and Industrial Zone of Porto Romano, Durres, V.K.M. Nr. 703, Dt. 23.04.2008
The land is salty and with a relatively unstable structure which is proved by the previous attempts in the past to use it for agriculture/pasture but which failed. Biodiversity has had great changes because of the continuous interventions and this especially after the drainage of the moor/lagoon. The primeval existence of high mediterranean coastal vegetation, including oak forests, was replaced after the drainage with garminaceae and other low species, typical of the half desolated wet areas. The biomass in this area is casted as one of the lowest as a result of human interventions or chemical pollutions and its values have decreased double. Since the floods remain the main element risking seriously the investments in this area, which is mainly because of the increase of the level of underground waters, (the ex marshy area has a concave form, where the terrain is lower in its middle), the use of this terrain for this activity is highly observed.

The epicenter of the extension of industrial energetic park is the area of fuel deposits in Porto Romano, opposite which is constructed the pontil (place) for the processing of tank ships transporting oil, gas and its by-products. In spite of having some negative effects from the construction of industrial energetic area in Porto Romano, in relation to habitats, use of land and biodiversity, there are no enviromental impacts, for as long as their value is relatively small from the point of view of natural resources of the area and actual ecological balance. We can also mention that mitigatory measures do not have any considerable cost compared to the investment cost, which give great value to the implementation of this project.

The establishment of this park, will not only stimulate new employment for the local population, but will improve the infrastructure such as energetic network, sanitation and processing of potable water and sewerage avoiding contamination of groundwater and marine area of the bay. These changes, of course taking into account the development plans of all the area and its sorroundings as well as the characteristics in question, will promote a controlled management of the study area, focused on the industrial and commercial one.

4.2 The Biopark

One of the most ambitious projects which gives development alternatives of this rural area interweaved with natural and economic unfavourable areas is the “Bio-Park” campus.

The complex project of “Bio-Park” is included in the category of important projects aiming at the economic growth of the area in question and beyond, through the application of modern technology for the production of alternative, environmentally friendly energy. The strategic objective of the implementation of this project is to improve the social and economic conditions in the rural and unfavourable areas, ensuring at the same time preservation of the environment by avoiding the specific impacts that may be found in the area where is being constructed.

This development model, if applicable expresses its potential in an unfavorable area, without vegetation, with non-productive land, exposed to erosion and destructive effects of the nature because of appropriate and timely non-interventions with necessary investments. Such development models in unfavorable areas constitute a practice of an accelerated, efficient model of social, economic and environmental development in an area which is economically un-activated because of salty land, presence of almost all year round of seawater and rain water collected mainly during the rainfall.

Fig.3. Favored territories (Bisht Kamez)
The area where the project is expected to be implemented consists of a wetland territory between the sand strip and the first pine strip along almost the whole coast of the Ishem-Porto Romano coastal area. The surface where this development model will be applied includes a flat, non-productive territory of 382 ha, limited in the North by the estuary of Erzeni river, in the West 150 m far from the sand strip, in the East from the first strip of pines. The land where the Bio-Park will be built is not agriculture land and not useful which is mainly used for pasture. The area selected for the implementation of this project is located in Bisht Kamëz near Rinia village, the commune of “Katund i Ri”. This area has been selected to be transformed in an intensive, social, economic and environmental development area. The advantage of this location consists of favorable climate conditions, geographic position and exit in the Adriatic sea.

In economic terms the construction of Bio Park with modern technology will be an important intervention in the market of food and energetic products. This would not only improve the quantity and quality of products but will be coordinated with other activities of economic life of the area.

By implementing this project, there would be an improvement of the infrastructure, irrational use of the surface to be built, through ecological greenhouses, desalination plant and tubs with solar panels installed in the water surface.

In environmental terms the construction of Bio Park does not have any negative impacts in this area because it is characterized by:

- An area with very poor fauna;
- An area with salty land which is not used for agricultural and farming activity;
- An area with continuous flooding by the rainfalls and sea water;
- An interest-free area for other profitable economic activities;
- An almost uninhabited area;

The construction of this project based on the laws and principles of advanced science and technology, comprises a synchronized system where the interaction between men and environment is in complete harmony.

Indicators of the synchronized interaction of this development model are:

- Desalination of seawater enables the cultivation of marine fish and fresh water;
- Electrical and thermal energy obtained through the use of solar energy.
- Ecological greenhouses;
- Regulator of river outflow;

The solar panels of an advanced technology use the direct sun rays and the distributed ones to turn them into electrical and thermal energy which will provide with energy the campus and the surrounding community.

The ecological greenhouses about 200 of them, having each a surface of 5000 m², are completely in harmony with the environment, entirely excluding the pollutants. In these green houses you can grow any safe and health cultural variety starting from medical herbs to trees and fruit trees. The new technology offers high efficiency rates, providing 100% organic products.\(^5\) It should be emphasised that in environmental terms the regulator of Erzeni outflow is very important for this project. It will enable the regulation of flows when the river is full of water, the control of quality of urban waste spill. The current situation presents environmental problems in relation to the flooding potential that the river has and urban flow which freely flow at the sea causing pollution which has not only visual consequences but it affects the entire habitat system of different species.

There will be new work places from the construction of Bio-Park such as in aquaculture, ecological greenhouses and facilities and recreative potentials which will be created in this area, significantly improving the living conditions of the inhabitants.

4.3 The resort of “Lalzi Bay Resort and SPA”.

Another ambitious project which is applicable in this coastal area situated in rural and unfavourable territories is the Resort of “Lalzi Bay Resort and Spa”. This resort is being built near the Gulf of Lalzi in Hamallaj, an area known for its virgin beauty with unspoilt beaches and sand.

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The selected area in addition to natural conditions which it offers for the tourism, it is favored by the geographical position as well. Only thirty minutes from Rinas airport, it offers an attraction of foreign and local tourists. The project started to be implemented in 2011 and is expected to be finished in 2014, in a rural area which in the past was not favored by economic investments. This project under Master Plan for the development of tourism in Lalzi Bay, besides the tourist villages constructed or in the process of construction such as “Lura”, “Peshkatari” is a contemporary investment, where the design touches all aspects of a tourist village. The architecture is synchronous with the environment and the surrounding landscape, with low density buildings, gardens, restaurants, swimming pools, playground, etc. This touristic residential campus contains a mixture of villas, flats and shops with a height that does not exceed grass. There will be offered different facilities by the functioning of some distinct areas such as:

- Hotel Beach with the Beach Club, swimming pool and functional area;
- Residents beach with cafes and restaurants;
- Public beach with bars and beach carrier, which will have volleyball courts and other different water sports;

These touristic developments convert this rural area in a region with social economic development having development impacts for the surrounding areas. A considerable number of residents will be employed directly or indirectly as the project will enable the development of other economic activities especially agriculture and farming to be provided with their products.

5. Conclusions

Despite the efforts during these years to integrate the area in a sustainable development, the concept of rural and unfavorable areas development in Albania remains still a relatively new concept and is not properly included in the local or regional development policies. Nowadays the problem of the villages in this area is employment affecting directly their welfare. With the construction of Industrial Energetic Area of Porto Romano, the construction of touristic villages and resorts in Lalzi Bay, the implementation of BioPark project in Katundi i Ri, we will have a significant quantitative and qualitative improvement both in economy and infrastructure. There will be opportunities for the development of new productive and leisure activities which will have a great social and economic interest and would soften the unemployement wound affecting the emigration as well.

In this context it is the duty of central and local government to finish these projects. The development of the General Local Plan in order to offer an effective, balancing and integrating solution to different social economical factors, including the demographic ones, employment, economic growth and prosperity.

6. Recommendations

- To accelerate the development rate in this area, it is necessary to increase the involvement of local government and stakeholders in planning, directing and managing the development processes in order to ensure a better harmonization of needs, interests and development factors;

6 www.lalzitbay.com
The increase of productive capacity should be based on the local, economical and social conditions by building over the competitive advantages and existing potentials like clear alternatives of sustainable development;

Community involvement in development policies as a decision-taking and profitable partnership, commitment to build its local capacity.

Absorbing the investments, especially in the tourism industry shall be associated with the involvement of different community groups in economic activities and shall be focused on promoting a favorable environment for the economic development of the area and connection to the regional economy;

Make concrete investments in tourism as the best alternative of sustainable development of the area;

Investors and donators of these projects should seek from the local and central government to affect with regional financial policies so that this economic orientation can be of interest to more than one administrative unit.

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Peja Tourism Potentials, as Very Important Factors Acknowledged from the World Tourism Organization

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Abstract

Peja has considerable potentials for developing winter and summer tourism. Worldwide tourism is considered as one of the activities with dynamic development, since in general there is a market for it, with high demands always increasing, being in the same time source of income and employment. Nowadays is one of the strongest industries and as such it has a huge impact in economic and social development of many countries, especially those in development where it is being considered as one of the main income source, employment possibilities, economy diversification, environment protection and promotion of cross cultural exchanges. General characteristic of Peja position is that it lays on the North West part of fertile valley of Dukagjini, in front of the picturesque gorge, under the hills of Albanian Alps. The town is surrendered with mountains, part of the massive, the dynamics that involves whole western Balkan’s. These mountains form a crown of peaks such as: Kopranik peak (2460m), Zhlep mountain (2352 m), Hajla (2460 m) Mokra (1932m), Lumbardhi mountains, respectively GuriVerdhë (2522m), Viellaku peak (2012m), Peklena, Hasani peak etc. Very convenient geographical position and the relief and climates attributes affected the habitation of these territories since the beginning of Indo Europeanization of Balkans peninsula.

Keywords: Tourism, Environment, Potential, Albanian Alps, Mountains

1. Introduction

Peja lies on the western part of Republic of Kosovo and it is known as the second city in Kosovo from its territory of 603 km² and it has 130,000 habitants. Above sea level of Peja lies between 520 - 550, whereas highest peak is 2522 m (Pek of Guri I Kuq). Peja lies close to Albanian Alps (Cursed Mountains) and it is on border with Istog, Kllina and Decani with municipal, whereas with state borders with Monte Negro and Albania. Reaching Peja city is quite easy having in consideration geographic good position and good road connection with all the cities in Kosovo and with Monte Negro.

The history, culture, tradition, natural wealth, its position, protected environment, fertile fields, etc, are elements that identify city of Peja as touristic city that it’s being visited from different countries visitors. The city has and old history and its characterised with black and white colors at male wearing (clothes) , whereas the feminine wearings are mostly red.

In peja city and its sorroundings there is a huge number of historic-cultural objects that express the culture and the tradition of this municipality from the time of Ilyrs until present. There are many historic valuable objects, such as: stone kulla’s, old houses, religious objects like mosques, catholic and orthodox churches, hamams, etc.

Municipality of Peja is known as ecologic town with more than 70% of its territory covered in grend fields. It’s the mountain region of Rugova that makes the biggest part of green fields, with more than 52% and in the same time its known as the breeze of Peja city. There are attractions, natural and landscape wealths, starting from pitoresque Rugova gorge, Lumbardhi River, three lakes on the hight of 1860m, caves, waters, diversity of flora and fauna, mountain peaks above 2000m, etc. Also within the city almost in every corner there are oazes that enrich the city, keep the fresh air and enable the relaxation of the habitants.
2. Tourism and touristic offers as promoters of economic development

Besides other economic sectors, the tourism and agriculture contribution in economic development in Peja municipality it’s being considered strategic, consistable and tangible. Their importance is constantly increased based on the general trends and the lack of industry, which before 1999 was the main base for development in Peja. After the renovation, the tourism is ri active and makes a development promotor, facing all kind the challenges by making its mark in touristic zones in Peja municipality. Of course, it keeps importing most of the products and exports huge number of tourists comparing to the expected local and international tourists mostly during the summer season and few of them for winter sports.

Although, the number of the visitors its being increased constantly, as well the interest for cultural and natural tourism that provides Peja an competitive advantage. Whereas, the private capital investments (objects, accommodation) and the public investments in road infrastructure, the amount and the quality of services and accommodation are expanding. The role of tourism, independence how small scaled it is in economy, in family incomes and in employment in Peja municipality is an indicator of success in overall economy.

From the data presented, we conclude that the tourism trend measured with overnight stays of local and international tourists in western region (including municipalities of Peja, Decan, Junik, Istog, Klin and Gjakova) is in harmony with the national trends. This means that the number of tourist doubled, with peak increase in 2009, whereas in 2010 and 2011 due to different reasons the percentage decreased, whereas in 2012 the number of tourists was the highest in comparison with last four years.

In individual level, Peja municipality had the highest increase (triple) of the overnight stays in its hotels from local and international tourists in western region, and it is followed from Istog and Gjakova. Decan has a continuous frequency of the overnights, whereas Klin has a decrease from 2010 and onwards.

Kosovo, with its cultural and natural diversity has sufficient potential for tourism development. The zone of border triangle Kosovo- Albania- Monte Negro is continuously becoming more and more attractive from all three governments and also from different donors. The zone of border triangle Kosovo- Albania- Monte Negro has an impressive nature and landscapes, a wide biological diversity and it is well known for the warm local hospitality. In the same time, the population of these parts is one of the poorest in the region.

The mountain tourism, such us hiking, biking or mountain climbing in recent years has become even more popular. It attracts foreing clients, especially those from nearby European markets. This consequently creates sustainable incomes for the living population in mountain zones and supports depopulation in this zones.
The overall idea is to do marketing to the mountain zones nearby the “Balkan Peaks” in the zone of border triangle Kosovo- Albania- Monte Negro as the only tourism destination. This way tourists can enjoy the combination of the specialties that each place provides: services gamas, diversity of cultural places and beatifull landscapes. This way each destination is more attractive for foreign tourists.

3. Authentic sheltering forms

Along the natural beauties and the authentic sheltering forms that represent the regional specifics, they make a cultural attraction for tourists. In the same time they highlight the character of many paths. This causes that these old traditional buildings are often restaurated and offered as guesshouses. Along the traditional way of building, it has the authentic rooms with furnitures selected with a lot of taste (the furniture must not include plastic chairs etc). Often the furnitures are old and locally made out of wood and they give a special impression of the environment only by using small amount of means and lots of creativity.

Some examples from successful trail shelterings in world:

4. The regional potential

Sheltering forms in these countries differ that much as the development stage of these three destinations. And this divertisifaction makes these trails so interesting. What is common in three mountain regions are the old traditional kullas made of stone, which are characteristic for these regions. It is exactly these kullas that needs to be renovated and protected. A success story for added value and use of tradional kullas is the mountain village of Theth. Except the kullas in Theth there are other sheltering forms available for tourists:

- Wooden houses in Valbona,
- Protecting cabins (Hikingsclubs) and wooden houses in the sourounding mountains in Guisin and Plav,
- Ecologde in Plav
- Wooden houses, Lodges and restaurants in Peja sourounding mountains

Mountain graze, sheperds cabin    Ex oil mills in Mallorka    Ex livestock farm
5. Services, service quality and tourist offer

Service quality: an important indicator for service quality and the additional qualities are the top up’s for all touristic products. In general the visitors can enjoy their stay with small effort. Even the small enterprises can ensure a good service. Therefore, the private owners along the base quality services like clean rooms, good breakfast etc, can offer additional services such us facilitation of guides for the locality or for longer guides, offer travelling maps and distribute informative material for the region. Through a brochure they can attract their attention and share contact information, such us phone numbers etc. Recommendations for simple services must well described in the services guide, already compiled. Additional touristic offer that can be offered for hiking trails can stimulate the interest for the region and bring additional visitors, like for example:

- Mountain guides (professional) that are able to guide in difficult zones and can offer first aid whenever needed. What are completely lacking are the travelling and mountain guides.
- Guides that offer interesting journeys with thematic background (culture, history, flora and fauna).
- In the aspect of Mountain bike tours, guides for mountainbikes, Mountainbikes rental, „Hike & Bike“ is well developed in Monte Negro and can be taken as an example in other regions. In winter snow ski, snow tours, (this is very requested from tourists in Rugova Mountains). Except havin a good road selection and their highlighting a part of the base infrastructure are also the pitoresque views, resting zones and protecting cabins. These must be placed in certain distance (example every three hours). This can be implemented with very simple means, like for example with materials that can be found on the way, also already existing buildings can be used, like old cabins, food places etc. This principle is being well implemented in Kosovo.

Examples:

6. Recommendations for further development of sheltering forms in the region

- Active support and reactivation of all kullas in the region.
- Jointly with kulla private owners must be combined with Bed-&-Breakfast concept, ensuring sufficient sheltering for travellers. Especially in Plav region traditional kullas must be reactivated because in comparison with other regions in Plav the tradional buildings are slightly replaced from the modern archiceture.
In Theth are already developed base standards for private sheltering that offer breakfast and partly other food also. It would be logical to further develop in a simple standard way regarding quality and services (for example minimal requests for traditional breakfast). And to compile a simple brochure or a quality guide (Visitors beginners book) that can be distributed to the visitors. For the private house owner’s practical trainings should be offered. In long term, as for Theth and for the private houses to be build in future it is recommended to offer double rooms also except of single rooms in the way not to exclude groups of visitors, such as couples.

A possible alternative for traditional forms of sheltering is camping. In Theth camping is being practised during the summer season.

There are two main variants:

- Camping with Service: Guest Houses with gardens or farms with Bed & Breakfast and sufficient land can offer camping with different services, but for this certain base standards must be placed or at least to be articulated simple recommendations, as for example:
  - Limited camper number for each guest house,
  - Services such as toilet use, breakfast, regional products offer etc,
  - Waste collection must be regular.

- No service Camping: for this part of itinerary for which momentaly no shelters are offered, certain marked zones for camping can be set. Marking is important, in a way that in protecting zones no wild flora is present. It is relevant also to set „Do’s & Don’ts“: for example taking the waste with you etc. For such free zones for camping mostly are set certain parts of the trails and marked in the map. Increasing the ecological quality (supply and waste collection) in shelter points for example through the use of renewable energy (water heating system with solar energy in Theth). Continuous waste collection and waste water management are a topic for the future and needs improvement.

- Support for the local architecture: to set base recommendations for new buildings Eco-lodge type – use of natural materials (wood, stone), local architecture for building elements, authentic style. This must be verified how much this is applied in building in local range. Authentic food, resting possibilities, regional products

- A wide offer with typical regional products, prepared traditionally with regional products is another success factor in touristic product “Hiking Trail”. Production and distribution of regional products and development of regional trade marks have developed in special fields of economy in some touristic regions.

Theth concept of traditional cuisine, with traditional preparation in private houses is implemented completely. Visitors live together with family members and most of the products are produced form the house owners or the neighbours. This is a characteristic for the village charm and makes an attraction more for the travellers- an example that can be implemented in other shelters along the itinerary. In Kosovo also, in Rugova mountains, in guesthouses are offered traditional food and local treasures.

7. Recommendations for regional development

- If the region will be visited and the number of the visitors will increase, that a wider offer in gastronomy must be offered and in resting possibilities.
- Offering and selling of local products, that tourists can buy and take away. This can be developed in long term (chestnut honey, forest honey, jams etc).
- In all three regions possibilities to rest along the traveling roads lack. In long roads there are neither resting places nor supply- buying places. A good possibility for this would be reactivation of mountain pastures and opening small shops in where vendor’s products could be offered, (fruits, drinks, bread, and cheese).

8. Conclusion

Kosovo is well known for potentials for mountain tourism, national parks, hunting and cultural park. Along the resources the hotelery is concentrated in zones with touristic offers, urban centres and road with high importance in Kosovo. Kosovo has sufficient potentials for development of summer and winter tourism. Tourism is generally considered as one of the activities with dynamic development, since in general for tourism there is a market with high demands always are increasing, consequently making a income and employment source. Nowadays tourism is one of the massive phenomena worldwide. Although, the history of tourism development is not old, tourism had a dynamic of fast
development and included very fast many states and nations worldwide. The importance of tourism for the economy nowadays is very high. Touristic destinations worldwide are in fact the best indicators from which tourism affects economic activities.

Almost all parts of Kosovo have touristic values in different forms and dimensions, independence form resources and development scale. Physiognomy of attraction elements in Kosovo clearly leads you to mountain regions, in the direction of touristic transit, big cities, spa’s, natural and cultural heritage, hunting localities and villages. Starting from actualities and trends foreseen for the needs of international tourism, real possibilities for launching a real touristic offer in international market can be expected in regional centers in Kosovo in high mountains, in the direction of the international road transit, in the complex of the natural heritage and high cultural values and most important hunting parts. The local touristic requests will further increase for the mountain and village tourism and tourism for the regions with natural and cultural heritage.

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Some Aspects of Public Decision-Making in Goods Rail Transport

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Abstract

Albanian Railways in the last two decades has experienced a fierce competition of the road transport, which has constantly taken parts in its transport market. Being a railway of a small country will modest freight and passenger traffic volumes, its survival depends on a political decision that has to be taken by albanian government. This paper deals with the possibility of the coming back to rail of chrome ore, gravel and fuel transport. These transports are permanent part of rail transport, but about a decade ago left the railway. The paper purpose is not to analyze removal causes of chrome ore, gravel and fuel transport by rail, but to explain the importance of time line concept to the return of these transports volume again in railway. Taking into account the social costs in the form of environmental pollution and roads blocking caused by road vehicles, in the material presented proposes the idea of a cost-benefit analysis. This analysis should be developed in order to justify a public decision to increase the rail volume by returning the goods mentioned above in the railways. The paper develops the idea that decision-making by private viewpoint of transport operators, has not the necessary elements for solving the blocking roads and environmental pollution problem, so should not be taken into consideration for the development of transport policies in urban areas. For this purpose must be used a cost-benefit analysis to pave the way for an integrated transport or a decision making in favor of the public interest.

Keywords: cost benefit analysis, integrated transport.

1. General presentation

Albanian Railways has a small extent of 440 km line in the western lowland and south eastern part of the country. Through a connection of the Albanian railway network in the northern part of the country with Montenegro railway network, it is possible the connection of Albanian railway to European rail transport. As a railway of a small country, its survival would be very difficult or impossible if this connection did not exist. Globalization processes demanding integration of the economies of various countries, increase in a sizeable measures the need for transportation between them. So really is such a fact as can be said that a rail of an isolated place or country is impossible to survive in our time. In the socialist period of its development, Albanian railways due to its economic and political conception enjoyed a monopoly position in the freight and passenger transport market. This position was ensured by the prohibited moving of freight and passenger road transport operators parallel to the railway line. So necessarily under the force of law, all the volumes of freight and passenger transport where was the rail line were made by train. After democratic revolution of 1992 things began to change in disadvantage of the rail transport. Rail transport volumes began to fall rapidly, while more rapidly increase the freight and passanger transport volume to the road. Moreover, the structure changes to the Albanian economy, especially in the mining sector and the large enterprises, which are directly related to the need for rail transport, transformed the railway in a shadow of what it had been before. Thus in 1993 the volume of freight transport by rail decreased ten times or 1000% compared to the level of freight transportation of 1980 -1990 period, while passengers transport around 4 times or 400%. Legal support to force transport needs to be carried out by rail where was rail lines did not exist.( Automotive vehicles of every dimension had begun to invade the streets with a dizzying speed Analysis of the economic activity of the society. File No. 2. Time of conservation forever.). As a reference for this purpose, can be mentioned that over the course of 1989 – 1994 years, the number of cars increased from 2362 units to 62633 units , the number of buses from 1798 units to 7275 units, the number of good transport means from 16363 units to 37829 units. Throughout the post-communist period and up to date the market share of passenger and goods of rail transport constantly have passed in road transport.( Study of the Future Role of Albanian Railways (1995) CIE Consult, World Bank. Albanian Railway Directorate.)
Such a phenomenon has positioned railway at a crossroad regarding its future. The causes of such a situation can be ranked as follows:

1. Albania is a small country of a passenger distance of transport around 50 km and a good distance transport around 70 km. Such distances have positioned the road transport compared railway in the privileged conditions for many reasons.

2. The structure of the Albanian economy due to the ongoing deregulation attempts to leave from the mining and large enterprises, focused on small and medium one’s. In this economic context, the demand for larger loads were replaced with the need for small loads suitable for road transport.

3. The Albanian government consistent orientation throughout the past two decades have been focused on roads, because of their poor condition inherited from the past socialist system. As a result, is reflected a big difference in roads investment compared to rail.

### Table 1. Passenger transport volume by rail for the period 1993 -2010 (mil / pass / km)

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### Table 2. Freight transport volume by rail for the period 1993 -2010 (mil / pass / km)

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### Table 3. Freight transport volume of crossing point with Montenegro

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<td>7.6</td>
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<td>23</td>
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2. Albanian Railways Opposite to the New Road Problems

Besides Albanian Society immigrant movements in the early nineties, in the later period, have steadily continued its migratory movements. These movements originated in the north and east-south of the country have attempted axis Durres - Tirana, which currently represents the most rich markets in Albanian Society. Concentration of approximately half of the country’s population in the cities of Durres and Tirana and rapid development of the area in the two last decades have made inevitable a rapidly growing need for transport. Despite the construction of a new highway connection between two cities about a decade ago and a number of improvements to roads and other accessory, the pollution and bottleneck road phenomena have started to be serious and the cause of the discussions at different level of the government decision making. The two cities of this axis, Tirana and Durres are connected between them by a service of interurban passenger transport by buses and vans, as well as a rail service, which preserves the form and content of same decades ago. Despite the difficulties and negative phenomena highlighted in roads, rail passenger transport is facing a very little part of the transport volume of this axis, around 2.5%. The question arises, if such a situation really represents the role to be played by the railway passenger transport on this axis. (The data are drawn from the author's observations). One other question arising in this case could refer to the fact, whether the continuing further interventions to expand the actual road will be avoided the problems created in this axis in the form of pollution and road blockades. Such a situation leads to solutions that offers an integrated transport and decision-making for this purpose should be subject to complex solutions that enables an analysis in terms of costs and benefits. Axis Durres - Tirana can be seen as the most interesting segment to rail passenger transport for the future of Albanian railways in this sector (Look at Applied Transport Economics. Stjuart Cole. Third Edition. Chapter 12:Funding an integrated Transport). If we would come back in time a few years ago Albanian society probably would not have started to discuss the problems of pollution and blocking motorways. Moreover, it would be unthinkable that h connecting highway between the cities of Tirana and Durres would be considered inadequate to cope with the movement in this axis. Axis Tirana-Durres is going to evidenced every day more as a single urban center. In such a conception the rail is evidenced for the large carrying capacity of passengers currents from one to another point of the area. Besides this axis, another one, that from Milot to Vora and from Durres to Rrogozine, despite of their own international designed standards and construction, have begun, especially in peak periods to display the same problems identified between Tirana and Durres. So as intense passenger and freight transport
movement area can be considered all area from Milot to Rrogozhine. In the entire area in question alongside the road lies railway lines. Situations offers an overview of the road every day expanding and the railway line almost forgotten due to lack of movement and investment. It is clear that the introduction in the game of rail transport throughout the extent of this area, will be motivated by the same phenomena as well as in the Tirana – Durres axis. The axis from Milot to Rrogozhine have traditionally faced large road and railway transport volumes for goods and passengers. Only a few years ago transport of inert goods, chrome ore and fuel, passed from rail to road. The cause must be searched in a broad spectrum of factors, from technical and commercial to those addicted to illegal or segmental interests. Removal of such goods, that traditionally have been part of the rail transport should be treated very carefully. Let’s treat by another more visionary view the problem in question. As was mentioned earlier in this paper the axis from Milot to Rrogozhina will be subject of air pollution and roads blocking. Social costs that will arise from this fact, in a not distant future will be part of the decision to regulate the traffic problems. In this view, the social cost precisely estimated to such voluminous goods (fuel and inert) can pave the way to a public decision-making and can turn back on rail transport such cargo. Trends for the movement of vehicles on the road will be higher for at least the next twenty years. In this reasoning level, the roads will continue to create pollution problems and (bottleneck), even though they will continue to expand and modernize.

Configuration of a visible contrast between road overflowing with vehicles and unexploited railway line, would necessarily lead to the necessity of an integrated transport.

3. Traffic of Goods that can be Returned to Railways

3.1 Fuel transport

This transport left the railway in 2009. In this year fuel rail transport signed a volume of 33065 tons. In periods prior to this year rail fuel transport volumes have been greater, reaching up to 80,000 tons a year. The transport includes distances from processing plants of Ballsh to the cities where there was the rail line and relevant plant fuel storage. There is a direct connection of the main rail line with auxiliary lines that lead to the respective fuel warehouses in every city of the country.

Priorities of a fuel rail transport in relation to road vehicles will be ranked as follows:
1. The train operation costs of fuel transportat are small compared to the operating cost of the road vehicles for this purpose.
2. The fuel rail transport integrates with environmental pollution and blocking roads in a much more acceptable level compared to road transport.
3. The fuel rail transport integrates into a higher level with rational use of land compared to road transport in the urban area. Instead of a train that goes to the railway line in an urban area would be needed a dozens of road vehicles that will need more mobility place and greater surface position comparat to train.
4. The fuel trains will integrate at a higher level in relation to the safety and welfare issues in general.

The tendency towards a transport policy based on cost-benefit analysis, in order the orientation of decision making in transport market from private interest to a public viewpoint, may have deviated fuels traffic from the road to the railway.

3.2 The chromium transport.

This mode of transportation has historically been part of rail transport and passed from railway to road in 2001. In this year the transport volume was 21 440 tonnes. In the preceding period the transport rail volume of chromium has been two to three times greater, up to 60,000 tons per year. This type of transport originated to Bulqiza Mine in the north west of the country, was done by road truck to closest railway station of Lac, where the train loaded through a specialised stakade for this purpose and brought into the port of Durres for export. A part of it is sent into Elbasan Metallurgical Combine to be processed and returned chrome concentrate, where again by rail is sent to the port of Durres for export. For the same reasons mentioned above for the fuel transport there exist the possibilities that transport of chromium in the form of combined transport truck - train, be carried by truck from Bulqize up to Lac and from Lac to the port of Durres by train. As Lac railway station and the port of Durres has specialized squares for loading and unloading the train and the ships with chrome ore.

3.3 The gravel and ballast transport

This type of transport has had a tendency to secede from the railways since the first post-communist years, perhaps of
the biggest development of the construction sector that happened in these years. In the different cities throughout the country selling inerts points set up anywhere near their centers. These selling points began to be directly supplied by specialized trucks that bear gravel directly on the banks of river mainly in Milot and ballast from different mines built in various points of the country. The way it were built and operated as selling point makes up a typical inert treatment in relation to cities environment and traffic. Albanian Railways has in any rail station in every inhabited center of the country free squares where can be concentrate the selling of inerts and can be constructed plants for the preparation of prefabricated elements for construction. The use of these railway stations for this purpose would create a direct link via rail to places where gravel or ballast deals. In the same time rail station will be a center for distribution of these materials in every urban area linked with rail line. Distribution of inerts sail points in the cities is an serious case in relation to cities pollution. For many reasons of the treatment of this problem from this view point, the inerts traffic should be part of rail transport.

4. General conclusions

Removal of fuels, chrome and gravel traffic from rail must be analyzed very carefully. From the respective time they occurred together with relevant subjects privatization processes that have traditionally been customers of railways. The performance of these subjects in the first years of privatization may have had different tendencies and interests within their segment to remove this type of traffic from rail transport to profitable purposes. Although good’s traffic deviations from one transport mood to another are generally competition consequences in the transport market, for the rail case, they must be subject to a state analysis. This analysis should reveale the causes that led to the abandonment of rail transport to reach their objective assessment.

First: Is it true that these railway traffics left only for reasons of competition in a transport market subject to the law of demand and supply.

Secondly: it is true that these transports were made by private operators who provided transport fees really smaller compared to rail or became by transport means of these private enterprises.

Thirdly: It has been possible to the railway decision making to reduce tariffs level to keep these traffics in rail transport.

If all these questions had an answer, would have served to improve decision making of railway operation. Deviations of the above traffic coincide in time with the improvements of the road main axes. Investments in the roads along the entire time period of last decade have been much higher than in railway. Such a scheme has given priority to road transport. But the roads themselves during all this period have produced other movement, especially of cars and something like this inevitably produces environmental costs and bottleneck phenomenon.

To answer the question whether to invest in rail to avoid the movement of cars and trucks from the roads (in our case Milot – Rrogozhina axis) and to throw back on railway the traffic mentioned above, a broader analysis of cost and benefit is necessary. Removal of fuel, inert and chrome ore by rail can not be a simple decision to market competition. This market itself has not all appropriate mechanisms to regulate the transport problems in the right direction of public interest.

Such an analysis would help Albanian government political decision to determine its role in the most appropriate option for the Albanian future railway development.

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Economic Crisis and the Extroversion of the Enterprises: An Empirical Approach

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Abstract

In recent years, due to the economic crisis there is the phenomenon of diminishing the consumption within the limits of the country. Companies are looking for alternative ways to maintain and/or increase their profits. For this reason many of them are turning to exports, with which, it has been proved that Greeks can be productive and competitive. The extroversion of businesses aimed at the beginning or even the continuation of competitiveness and their business activity abroad. Thanks to extroversion, production relocates in industries and higher value-added products and contributes to the conclusion of international collaborations. It also increases the visibility of Greek enterprises and their products abroad, international cooperation and finally it stimulates entrepreneurship in times of crisis. Such companies, which invest in extroversion in times of crisis, is the Folli-Follie, with large investments in China, the cooperative of Naoussa Vaeni winemakers, who works with Chinese trading company. Also, Kozani Saffron and the company Fereikos-Helix, which deals with the breeding of snails Helix Aspers Moller. All of these efforts are reinforced by the program "Extroversion – business competitiveness (2007 - 2013)". In this study we will try to develop the sequel (;) economic development and answer questions such as: what was the situation in the area of exports before the economic crisis, what is the existing situation and finally what are the future opportunities for Greek companies. The conclusions of this study are particularly important and any exploitation will contribute substantially to increasing openness and hope to be the beginning for conducting future surveys.

Keywords: Extroversion, entrepreneurship, export, trade, technology, competitiveness

1. Introduction

Strengthening the extroversion is a one way to development both for businesses and the economy of the state. Besides referring to the theory of Ricardo "if each nation specializes in the production of goods for which a class has a comparative cost advantage and then exchanges with another nation, which has a cost advantage over another category
of goods, then there will be a total commercial profit and at the same time will increase the total income in both countries" (Anggelopoulos, 2007).

In times of crisis the extroversion is the keyword for the development of Greek enterprises. Especially for those businesses who believe that the crisis can be an opportunity to grow. The "solution" of extroversion is adopting more and more for the new model of development of Greece. Economists and entrepreneurs consider that emphasis should be placed on foreign markets, domestic companies to export their goods and services and, most importantly, introduce investment funds. And of course this way we avoid mergers or/and the closure of companies. Greece should stop being the most closed market in relation to the other Member States participating in the euro.

The research will mainly rely on the study of existing literature and case studies from the Greek experience, so to prove or not the contribution of the extroversion of Greek businesses in dealing with the crisis. Through these methods we will try to answer some questions such as whether there is continuity (;) economic growth, which was the situation in the area of exports before the economic crisis, what the existing situation is and finally what are the future opportunities for Greek companies?

2. Literature review

Extroversion, as a concept, derived from the field of psychology and an indication of the psychological nature of man. Jung distinguishes two stances, extroversion and introversion, which affect mental processes and call this the mood "Central Control Panel, from which external behavior is adjusting and on the other hand concrete experiences are shaped". Extroversion is characterized by a positive relationship with the subject and introversion from a negative. The extroverted geared primarily from external, collective rules, the spirit of the season, and more. The Extrovert "thinks, feels and acts in connection with the subject". Shifts his interest from the object to subject and directs mainly by the world outside himself (Fordham, ).

The original use of extroversion was as a political term, and recently began to be used, in order to express the process of economic integration of a country and mainly here in Greece, with world markets. The main activities include international trade in goods and services, the international portfolio investments and foreign direct investments. The degree of openness of a country depends on several factors, including the importance of international trade, the trading quality and other (Chletsos, 2008). The extroverted activities essentially refer to business activities of individuals, businesses or organizations that transcend national borders and extend to other countries (http://repository.edulll.gr /edulll/retrieve/4619/1315.pdf).

The Extroversion is the exploitation of competitive advantages and circumstances and at the same time, the expansion of businesses (small and large) to new markets outside our national borders. To achieve this, it is necessary to establish both a healthy indoor environment and an outside environment ready to accept our products (Ioannidis, 2007). Extroversion expresses the framework of liberalization and openness of international markets and the development of international business activities by national companies. These activities relate to business activities, companies and/or individuals that transcend national borders and extend to other countries. Extroversion is intertwined with the concept of competitiveness, facilitates entrepreneurship and creates new opportunities. In times of crisis, the private sector must lead and radically change its orientation, focusing on exports, something that becomes a priority due to the negative impact of the economic crisis on corporate earnings and consumption (Stergiou, 2007; Ioannidis, 2007).

The degree of openness of a country depends on the importance of international trade in relation to national transactions (volume of international/national transactions), the type of integration (in the areas of trade in goods and services and investment) as well as the quality of transactions (value added) (Dunning, 1993). Also, it refers to commercial activity which aims to export goods and services, the sale abroad.

As competitiveness (Chletsos, 2008) we define the ability of a business to survive and develop, taking into account the competition from other companies for the same profits. Businesses compete for markets and resources and therefore it is relatively easy to look, comparatively, at their competitive position purchasing shares of markets or the extension of setting up and building-up competitive advantages such as sanitary products, innovation processes (Poumarakis et al, 2011).

3. The Greek Economy

The main sectors of the Greek economy are tourism, shipping, industrial food production and tobacco processing, textiles, chemicals, metal products, mining and petroleum refining units. The growth of Greece's GDP is, on average, since 1990, higher than the average of EU countries. The Greek economy also faces significant problems, including rising
unemployment levels, bureaucracy and corruption. In 2009, Greece had the second lowest rank in the EU in accordance with the index of economic freedom (after Poland), while ranked 81st in the world. The country suffers from high levels of political and economic corruption and low competitiveness compared to its European partners.

Due to the global economic crisis, the pace of growth of the economy turned negative in 2009 for the first time since 1993. By the end of 2009, as a result of a combination of international financial crisis and internal factors (uncontrolled waste shortly before elections in October 2009), the Greek economy faced its most serious crisis since 1993, with the highest public deficit (although close to that of Ireland and the United Kingdom) as well as the second highest debt as a percentage of the EU GDP. The 2009 budget deficit reached 15.4 percent of GDP. This and the rising debt levels (127.1% of GDP in 2009) led to rising borrowing costs, resulting in a severe economic crisis. Greece tries to cover the excessive public deficit in the wake of the global financial crisis.

On January 1st 2002 Euro was introduced in EU. It turned out that its success depends on healthy and sustainable financial management and strong macroeconomic policies. The base for recovery is strengthened further through the "Financial Contract" agreed by EU leaders in the pursuit of budgetary discipline and increased coordination and economic policy throughout the euro area (EU, 2012).

Important resources pumped through 4 community initiatives, total public spending which amounts to € 1.28 billion (of which the Community contribution is 904m €) for the period 2000-2006. The four Community initiatives of the European structural funds for the period 2000-2006 is EQUAL (equality in the labor market), LEADER+ (rural development), URBAN II (urban development) and INTERREG III (cross-border, transnational, interregional cooperation). The Cohesion Fund provides co-funding to projects or groups of projects or stages of projects which contribute to the achievement of the objectives in the area of "environment" and "Transport".

The NSRF 2007-2013 is the reference document for the programming of EU Funds at national level for the period 2007-2013. Prepared in the context of the new strategic approach for the EU cohesion policy, whereby the NSRF "ensures that assistance from the funds is consistent with the Community strategic guidelines for cohesion and identifies the link between Community priorities, on the one hand, and of the national reform program, on the other hand". The objectives of the NSRF was formulated at the level of the strategic objectives of the NSRF, the level of thematic and territorial priorities, as required by the General Regulation on the Funds, at the level of general objectives, which breaks down each thematic priority and finally at the level of the specific objectives and the main means to achieve.

The architecture of the Operational Programs (OP) of the NSRF 2007-2013 was shaped so as to materialize with the optimal way the country's strategic options, while taking into account the new data in the programming period 2007-2013 (63% of the country's population in transitional support). The new shape is characterized by a smaller number of operational programs in relation to the previous period 2000-2006, which leads to more flexible management scheme. Strategic planning for the period 2007 - 2013 will be implemented through 8 sectoral OP, 5 regional OP and 14 European territorial cooperation programs. In the period 2007 - 2013 the total accessibility infrastructures will be implemented in the framework of sectoral operational program, while for the areas of health and culture there will no longer be a discrete OP and actions implemented by regional and sectoral operational program.

The medium-long term prolongation of the recession in the Greek economy with negative or low rates of GDP change, risks the increasing of public debt and therefore requires not only the reduction of public deficits but creating primary surpluses that will gradually stabilize the public debt as a percentage of GDP. It is necessary to follow policies that will increase the tax revenue reasonably (capture of great tax evasion, tax increase on high earners and the great real estate) and transfer of resources from public consumption to public and private investment in priority areas and proliferative effect. It is necessary to design and implement new strategies for economic growth by adopting a new development model that will focus on technology, innovation, quality and will create new jobs (INE – GSEE, 2010; Sklias et al, 2010).

4. Extroversion : The Silent Force

Greece presented intense commotion to the piece of extroversion. The period from 2004 to the beginning of the crisis was the golden period of exports. A coordinated policy on exports was formed and that was the last standard product. In that period, our country has participated in numerous international exhibitions; several business missions were completed and opened the market to other economies such as Korea, the United Arab Emirates and other (Drosos, 2006).

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1In accordance with the terms of the consulting company BMS Management Consultants S.A.
According to the NSS, the increase in exports in the first three years of the period stood at 34.4% with the main strategy targeting the larger international markets, to increase the participation of enterprises in concerted actions and effective support for our products (Drosos, 2007).

In 2011 the total value of Greek exports amounted to approximately 19.5 billion € (excluding sales of ships). Exports registered a significant increase of their volume, rate of 19.6%. The main volume and value of exports are fruits, vegetables, olive oil, textiles, steel, aluminum, cement and various manufacturing products. The increase of competitiveness as a result of lower prices of products and productive players in Greece, as a result of the domestic economic crisis played important role. In January 2012, the value of exports stood at 1.75 billion € (http://www.bms-sa.gr/ellininkh-exwstrefeia.aspx).

The extroversion of Greek economy is dynamic and is considered to be capable to provide itself the driving force for development in Greece. Especially if the right incentives are given and appropriate infrastructure is been built, mainly electronic. For the development of the extroversion of enterprises, Secretary of the Ministry of Development, Industry, Competitiveness and Shipping modeled the program "Extroversion - Competitiveness II" with a budget of EUR 50 million, which is co-funded by the EU through the European regional development fund and the Greek State and is part of the operational program "Competitiveness and entrepreneurship" of ESPA 2007-2013 (http://www.antagonistikotita.gr/greek/news.asp?id=326).

The aim of the program is the creation of conditions for strengthening Extrovert entrepreneurship existing manufacturing, mainly for small and medium-sized enterprises, and conditioned big business, as the Central choice for production upgrading of the economy for goods and services with a high added value, quality, environmental awareness, knowledge integration and innovation. In addition, it focuses on strengthening of integrated investment projects with emphasis on processing activities with conjugation activities outreach and visibility in international markets, in order to ensure the achievement of multiplicative benefits and economies of scale (http://www.antagonistikotita.gr/greek/news.asp?id=326).

The investment projects aim to enhance the extroversion of businesses including limited processing operations, investment projects aimed at strengthening Extrovert image and business activity coupled with actions (http://www.antagonistikotita.gr/greek/news.asp?id=326, www.ypoian.gr, www.antagonistikotita.gr, www.efepae.gr, www.espa.gr, www.ependyesis.gr/mis, www.ggb.gr). The Export Credit Insurance Organization (ECIO), implemented the program "Extroversion – ECIO" which was a demand of the country's export businesses, and offered a shot in the arm in the real economy and substantive support to the extrovert entrepreneurship. At the same time, it strengthened the competitiveness and flexibility of Greek exporting companies. The program ensured the possibility of financing of export operations, the sole prerequisite their insurance to ECIO.

In early February 2012, it was announced by the General Secretariat for industry for the new EU program for small and medium-sized enterprises, the "Program for the Competitiveness of enterprises and small and medium-sized enterprises-COSME" (http://www.ggb.gr).

The objective is the development of Greek positions in view of negotiation to be launched within the Council of the EU. The main axes of the improvement of the competitiveness and the viability of EU companies, the promotion of entrepreneurship in specific target groups, improving access to finance for SMEs, in the form of risk capital, guarantees, loans and the improvement of access to markets within the EU and globally. 38.7% of export businesses exhibit intense liquidity problems have gone to cuts and difficulties in accessing new lines of financing. Also 15.4% of companies operating on the international markets in 2009 (almost 1 in 7 export businesses) have shut down or stop the export activity.

5. Examples of extrovert enterprises

In this presentation we will confine ourselves to four companies. We will not mention enterprises of metallurgical industry, as the Group Biohalco, Alumil and Titan, because although starring in exports, they do not have any particular product of Greece. Nor do we mention food companies such as FAGE or water bottlers, such as Chittos. We will go to companies with strong brand name as is the Folli Follie or in companies which produce and market a particular product of the Greek land, such as saffron, snail farmers and businesses that produce and sell wine, that have to do with the

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2The S&B industrial mineral has 26 distribution centers in 21 countries and acquisitions in the U.S
3For example, the dairy industry KRI-KRI, who is ejecting in more than 15 countries.
primary sector of the Greek economy, in line with the Minister of Macedonia-Thrace, Karaoglou in his speech at the SEVE (July 2012).

5.1 Folli Follie Group

The Group has been present in 28 countries of the world, has 750 points of sale worldwide and employs around 6,000 workers. By the early 21st century, the Group invested abroad and particularly in China, in partnership with Fosun. In this way it faces the current recession. In 2010 sales increased by 8%, due to exports. It is characteristic that over 95% of its sales made abroad, especially in Asia (Newsletter, 2011). G. Koutsoliotou, Vice President of Folli Follie, considers that the only defense to deal with the recession is extroversion. Therefore the company has the largest part of its revenue from Japan and Asia, areas of this year's nine months contributed 11% and 62%, respectively, in sales, with the second to record annual growth of around 18%. The management of the company plans to develop its network in Asian markets but also in the U.S. Folli Follie Group is a model in terms of the image of a Greek business abroad. In China where it already maintained a network of points in partnership with Fosun there is a new opening every week. Finally, it is characteristic that in 2010 the share of Folli Follie was one of the two shares of mid-caps of the ASE ended with about 40% profit (http://www.dealnews.gr).

5.2 Cooperative of Winemakers of Naoussa, Vaeni.

The cooperative of Naoussa Vaeni winemakers has completed an agreement with China to sell each year than 1.200.000 3.600.000 bottles to wine. It's the largest transnational agreement between Greece and China in exporting wine. The agreement covers the export of 300 containers of wine annually and for a decade, worth 10 million€ per year. With the completion of the agreement an order worth € 500,000, which in its entirety deals more expensive wines of partnership and sponsorship cheque of € 350,000, for the execution of orders, was already given. The cooperative exports its products in 27 countries, including Russia, China and the United States (http://cluster/www.palo.gr/articles/makedonia-news/27650/?=3197913? http://www.keosoe.gr/ampeli/deltia.html). In 2011 the cooperative managed to increase its exports by 120%. The cooperative has a presence in a total of 27 countries. The aim is to find distribution channels in other countries, especially in emerging markets, since Vaeni's presence in Europe is already strong. (http://www.paseges.gr/el/news/120-ayxhsh-stis-exagwges-krasioy-apo-to-Synetairmo-Vaeni-Naoysa).

According to Mr. Fountouli (2012), President of the Association "the policy of openness which was followed by the cooperative in the last years, the search for new markets abroad, as well as the complete shift to quality bottled products, upgrading Vaeni's brand name, provided domestic and international visibility and today this strategy yielded results far greater than expected. We do the Extroversion Act". (http://www.maknews.gr)

5.3 Saffron

The variety of Crocus sativus L., thrives only in the certain area and belongs to the best quality saffron in the world (with its healing properties). The product is available in several countries, such as Spain, France, Italy, USA, Switzerland, England, Germany, the Scandinavian and Netherlands, UAE, Russia and Japan. At the same time, has made a business arrangement with the largest spice company in the world the Mc Cormick (http://www.safran.gr/trading.asp). It also achieved commercial agreement with Korres and established the company "Crocus Kozanis Products SA" with the aim of creating products based on the Saffron. (http://www.pta-pdm-smartplus.gr/assets/profile-innofin-anko.pdf). Exports account for 30% of sales to have fallen due to the global economic crisis. This resulted in growers to resume cultivation of crocus, with large profit margins. We mention that at the end of the last century Kozani produced 12 tons of saffron. The period 2002-2005, production was reduced to the minimum. For better coordination of activities, since 1971, the Kozani Cooperative of Saffron producers, was founded.

5.4 Fereikos-Helix

Maria and Panagiota Vlachou, began snail farming in an area of three acres and then expanded their business. For example they took the delegation of the International Institute for breeding snails all over Greece. Farmers began to replace their traditional crops with the rearing of snails, because the price is steadily upward (http://antikleidi.wordpress.com).
Fereikos-Helix is headquartered in Corinth and started in 2007. It's creating open integrated life-cycle units of snail breeding. The company name derives from the ancient Greek word "fereikos" which comes from the 'fetch' and 'House' and means 'I carry my house' (http://news.kathimerini.gr/4dcgi/_w_articles_economyepix_100012_04/12/2011_464956). With the increase of turnover to exceed 6%, within a period of three years, and the cooperating producers to arrive from 20 in 2008, to 155, Fereikos-Helix, extract snails, and relies on innovation. At the same time it shows that the return to primary production and extroversion are the successful model of modern entrepreneurship, amid crisis. Snails are a financial product whose value has not subsided, since 1972 until today. In contrast, the average annual price increase is of the order of 2%-3% (http://boraeinai.blogspot.gr/2011/12/e_08.html).

6. Review

The average cost required for export of products from our country formed in 1,153 dollars compared with 1,043 in the EU, while the time needed for completion of the process appreciated in 20 days against 11, 71 days in the EU with a number of accompanying documents 5 against 4. For the imports of goods the cost is $ 1,420 compared to 1.097,64 in other European with required time 25 days against 12.35 and with necessary documents 6 vs. 5.35. And in this area Greece is behind in relation to the EU and the internationalisation of SMEs and strengthening international partnerships is essential. The I.O.B.E Report on entrepreneurship in Greece 2010-2011 (Ioannidis et al, 2012) and the impact on "small business" reflects that the deterioration in economic conditions and the uncertainty about the outcome of the financial crisis influenced decisively the business action. In more detail, the results for home entrepreneurship subside noticeably and underscore the climate of uncertainty that prevails in the real economy. Entrepreneurship of "initial stages" arrives at the lowest rate for five years (5.3% from 8.8% in 2009), with the aspiring entrepreneurs to be the main cause of the drop (2.0% versus 4.5% in 2009). The report shows that adverse economic conditions and uncertainty about the future prevented a significant percentage of people to start their business.

The model of development, in accordance with the conclusions of the symposium organized by the Foundation for Mediterranean Studies (2008), has serious drawbacks as that absent a friendly and efficient institutional environment (whatever progress has noted the last time) and the organizational and management capacity, the low quality and flexibility of the educational system, the lack of modern infrastructure and networks; the low spending on research and innovation, low productivity, private, family and public debt, environmental degradation, high level corruption and customer relationships, high rate of poverty and social exclusion, the lack of democracy and effectiveness in our country and finally the institutions, structures and functions of our political system is, to a large extent, outdated, dysfunctional and ineffective.

There are needed changes, such as:

i. Radical structural and structural reforms (changes in e-governance, integrated information systems, cadastre, lucidity, rebuilding public sector, reduction of the public sector, fight corruption, exploitation of tax policy, improvement of education). 4

ii. Coding, simplification and modernization of existing legislation, the fight against bureaucracy, interweaving, corruption and tackling patronage and black political money are required.

iii. The modernization of the legal system, strengthen of the integrity, and speeding up of procedures for the award of (Balyrakis, 2008).

The other view holds that extroversion leads to impoverishment of human potential of the country and the abolition of labour relations and workers' rights and simply supports businesses faced serious financial problems. According to Al. Papariga, ex leader of the greek communist party "extroversion does not apply to the mutual benefit of the peoples, but the competition of capital, operating and Greeks and foreign workers. We seek the full potential of Greece and at the same time the development of equitable international relations" (interview in Tupos tis Kyriakis, cited in Rizospastis 24/3/2009).

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4President Roosevelt reshaped the American economy with a series of laws as was the implementation of new, stricter institutional framework for the banking system, lowered the high American interest rates, implemented new financial policy and monetary policy. Created the Rural Adjustment Administration, which put limit to the national production of agricultural products (http://tvxs.gr/news)
7. Suggestions

The only reliable source for real growth of the economy is recovery of foreign demand for goods, thereby attracting new investment. The contribution of exports to GDP in 2012 reaches the level of 12%, double than in 2010. Discern that more and more people realize the new model of extroversion of Greek economy but no one can really do it. The geographical export expansion of Greek products, especially to emerging markets, shows that the future is there (http://www.olakala.gr/oikonomia/2269-i-politimi-axia-tis-exostrefeias.html).

The Greek economy must be transformed rapidly into an environment of Extrovert mindsets, minimum bureaucracy, low taxation, low liquidity, competitive production, serious state aid, implementation of innovations, attracting new investments with a clear brand name. Greek economy can be a source of goods or services, innovative and traditional, for the global community. With a will, a clear strategy and immediate actions may become the hopeful reality (http://www.olakala.gr/oikonomia/2269-i-politimi-axia-tis-exostrefeias.html).

According to D. Lakasa, President of the Association of Exporters of Northern Greece “the new country’s development model with emphasis on Greek production and extroversion is the sound pillar for an economy that is trying to revive growth. With these data, a framework of coherent actions, from the production to the targeted permanent presence of Greek products and services at international level, in a national, powerful Brand Name, is required” (http://www.olakala.gr/oikonomia/2269-i-politimi-axia-tis-exostrefeias.html).

In the actions that must follow an extroverted Enterprises include the construction of foreign language Web Pages with specific standards, the construction and management of the e-shop for sales abroad, creating innovative electronic tools for collaboration with foreign enterprises, the creation and management of online shops and advanced interactive web sites via the Internet, the creation of advanced and innovative customer service systems and the concept of “do it yourself” and last but not least the acquisition of new equipment advanced technology for production of innovative products/services or implementing innovative processes, conduct online surveys/studies and evaluation of the export capacity and the access information for the online search and identify international business opportunities (http://espa.com.gr/protasei_exostrefeias/).

The demands of business is considered to be the ideal initiative on the way out of the country from the crisis and the limited potential for growth that characterizes the Greek market and especially in the age of globalization. We have, namely, to get away from the traditions and our nationalism which sometimes distinguish (Stergiou, 2007).

The Erasmus program can and should be a factor in the openness for Greek companies. The purpose of the program is to acquire professional experience and acquaintance with the requirements of the European market. According to the Commissioner of the European Commissioner for Education, Culture, Multilingualism and Youth Vasiiliou “exchanges through Erasmus offer the opportunity to students to develop skills such as adaptability, which, in turn, enhance their professional prospects. Studies or internship abroad open up horizons for personal development and create employment opportunities”. (http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/675&format=HTML &aged=0&language=EL, accessed on 28/8/2012).

Student mobility contributes to the personal development and the development of social skills, labor mobility and new ideas for businesses. Offers specialized knowledge, knowledge of foreign languages and development of existing competences and skills. Students are looking for new markets, extroversion is widening and the image of the company is modernized. (Mavrogiwrgou, 2012? http://compus.uom.gr/erasmus/?q/el/general, was on 13/8/2012). For young people being abroad (http://www.olakala.gr/oikonomia/2269-i-politimi-axia-tis-exostrefeias.html).

The Erasmus program is to acquire professional experience and acquaintance with the requirements of the European market.

During the 3rd Hellenic Republic several developmental laws have voted on (Laws 1264/1982, 1892/1990, 2601/1998, 3299/2004 and 3522/2006). L. 3908/2011 “Private enterprises for economic growth, entrepreneurship and regional cohesion” (Official Newspaper of Greek Democracy 8A/1-2-2011), makes effort to improve incentives in order to become attractive to a larger proportion of entrepreneurs and with the ultimate goal of reversing the negative investment climate that passes the country and create real growth. The investment law is necessary to promote investment, especially in sectors and activities that will bring real growth, new jobs and will use modern technology and innovation, for the production of quality products and services (Papanaoum, 2012, http://www.tax-profit.gr).

The strategic objectives for the enhancement of openness must be (a) continuous improvement of the international competitiveness of the country, (b) giving vision and strategy for extroversion, (c) the establishment of a comprehensive strategy involving the presence of the country abroad, (d) changing structure of inverted enterprises direct investment and finally (e) improving the attractiveness of the country by foreign investors (Chletsos, 2008).
Extroversion is necessary to be strengthened and become a common practice for both large companies and small and medium-sized enterprises. A series of measures such as increasing productive investment, quality of products, their standardization, interlinking of Greece with the international production systems and the upgrading of manpower need to be undertaken (Aggelopoulos, 2007). It is necessary to simplify business processes and to reduce bureaucracy, for the State to become more competitive, to stabilize the fiscal system, which must become more objective and consistent. Also, evaluate the laws regarding to the competitiveness of enterprises (Ioannidis, 2007).

A proposal is the recommendation of the Secretariat, the competent Ministry Outreach. The secretariat will undertake the responsibilities relating to the collection and management of available resources for extroversion. In this way, the demands will be placed in the Centre of the recovery of the Greek economy. The institution that undertakes these activities today is the General Secretariat for investments and development, which promotes the financing programs that support the development of the country (http://www.ggea.gr). The mixture of economic policy that Greece must concentrate on is creative entrepreneurship and extroverted activities (Argitis, 2012).

8. Conclusion

It is necessary to establish a State, which will meet the demands of the globalized society and the participation of Greece in the enlarged EU. To reinforce the extroversion the promotion of Greece must contribute in international transport hub, commercial activities and services of quality to serve an expanding European market and will offer efficient interconnection between Europe and the emerging markets (Tsapakidis, 2012; Balyrakis, 2008).

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### Annexes

#### Table 1: Greek exports by geographical areas (Jan-Jul) in million €.

<table>
<thead>
<tr>
<th>Region</th>
<th>Exports 2012</th>
<th>Exports 2011</th>
<th>% Change</th>
<th>% Composition 2012</th>
<th>% Composition 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>9,882,4</td>
<td>9,515,9</td>
<td>3.9%</td>
<td>100,0%</td>
<td>100,0%</td>
</tr>
<tr>
<td>OECD (29 countries)</td>
<td>5,576,0</td>
<td>5,717,5</td>
<td>-2.5%</td>
<td>56.4%</td>
<td>60.1%</td>
</tr>
<tr>
<td>E.U. (25)</td>
<td>5,114,9</td>
<td>5,453,3</td>
<td>-6.2%</td>
<td>51.8%</td>
<td>57.3%</td>
</tr>
<tr>
<td>E.U. (15)</td>
<td>4,071,6</td>
<td>4,362,4</td>
<td>-6.7%</td>
<td>41.2%</td>
<td>45.8%</td>
</tr>
<tr>
<td>N. America</td>
<td>5482.2</td>
<td>397,5</td>
<td>37.9%</td>
<td>5.5%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Other Developed Countries</td>
<td>99.4</td>
<td>74.4</td>
<td>33.6%</td>
<td>1.0%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Other OECD (except N. Korea)</td>
<td>510.9</td>
<td>486.2</td>
<td>9.1%</td>
<td>5.2%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Balkans</td>
<td>1,673.3</td>
<td>1,583.0</td>
<td>5.7%</td>
<td>16.9%</td>
<td>16.6%</td>
</tr>
<tr>
<td>CIS</td>
<td>377.5</td>
<td>295.5</td>
<td>27.8%</td>
<td>3.8%</td>
<td>3.1%</td>
</tr>
<tr>
<td>N. Africa and Middle East</td>
<td>779.6</td>
<td>645.4</td>
<td>20.8%</td>
<td>7.9%</td>
<td>6.8%</td>
</tr>
<tr>
<td>African Countries (except N. Africa)</td>
<td>82.0</td>
<td>74.7</td>
<td>9.8%</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>191.1</td>
<td>145.3</td>
<td>31.5%</td>
<td>1.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Latin America</td>
<td>46.4</td>
<td>24.8</td>
<td>86.7%</td>
<td>0.5%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>
### Table 2: Recent Statistics

<table>
<thead>
<tr>
<th>Element</th>
<th>Period</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Price Index (Inflation)</td>
<td>Oct. 12/Oct. 11</td>
<td>1.6</td>
</tr>
<tr>
<td>Harmonized Index of Consumer Prices</td>
<td>Oct. 12/Oct. 11</td>
<td>0.9</td>
</tr>
<tr>
<td>Gross Domestic Product (Estimates)</td>
<td>3rd Semester 2012</td>
<td>-7.2</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>2nd Semester 2012</td>
<td>23.6</td>
</tr>
<tr>
<td>Industrial Production Index</td>
<td>Sep. 12/Sep. 11</td>
<td>-7.3</td>
</tr>
<tr>
<td>Turnover Index in Retail Trade</td>
<td>Aug. 12/Aug. 11</td>
<td>-8.0</td>
</tr>
<tr>
<td>Producer Price Index in Industry</td>
<td>Sep. 12/Sep. 11</td>
<td>5.0</td>
</tr>
<tr>
<td>Construction Activity (volume)</td>
<td>Aug. 12/Aug. 11</td>
<td>-27.5%</td>
</tr>
<tr>
<td>Legal Census Population</td>
<td>2011</td>
<td>9.903,268</td>
</tr>
</tbody>
</table>

**Source:** http://www.statistics.gr/portal/page/portal/ESYE (accessed on 17/11/2012).
A Historical Perspective of Economic and Financial Stability in South East Europe

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Abstract

The paper offers a general overview of situation during the two crises, Great Depression and Great Recession for some of the South East European countries. It studies the linkage between financial issues and economic development by making a comparison of two periods. This paper provides a review of the theory behind the ties of these two components and the channels they affect each other. Both crises have had deteriorate effects in the SEE countries but often this group of countries have had symmetric hits, which leads to the idea of acting as a common region. As a main recommendation we emphasize the collaboration of countries by making similar reforms and moving together in standards achievement to the process of being part of EU, if it remains to be an objective, or constituting a “uniform” and compact competitive region.

Keywords: Banking, Economic Growth, South East European Countries

1. Introduction

There is a consensus among economists that financial development effects positively the economic growth. Theoretically, there are two channels of how financial development enable growth; the first one is through a supply leading (financial development spurs growth) and the second one is through a demand following (growth generates demand for financial products) channel. The relationship between financial development and economic growth is a debate which has its initial point in the 18th century. A lot authors such as Walter Bagehot (1873), Joseph Schumpeter (1912), John Hicks (1969) and Merton Miller (1988) stated that finance plays an important role in growth and development.

This first focus of this study is the identification of literature related to the relationship between the financial development and economic growth. According to the literature, the authors are divided into two main groups, some of them think that the financial development is an important engine of the economic growth and the others think that economic growth is a kind of motor which foster the further development of financial sector. The second focus of this study is the identification of this relationship in the South East Europe during two difficult periods, the great depression and the great recession. As known, the effects of these two periods (crises) have been evident in almost all the countries, but our analysis is limited in just the SEE countries.

2. Literature Review

Financial development involves improvements in producing information about possible investments and allocating capital, monitoring firms and exerting corporate governance, trading/ diversification/ and management of risk, mobilization and pooling of savings and easing the exchange of goods and services. These five economic components have been analyzed from different authors in different years by taking into consideration diverse channel. Tridip Ray has made a review of authors dealing with the relationship between financial development and economic growth as in the below table.
### Table 1: Financial Development and Economic Growth: A Review of Literature

<table>
<thead>
<tr>
<th>Economic Factors improved by Financial Development</th>
<th>Authors (year)</th>
<th>Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Producing information about possible investments and allocating capital.</td>
<td>- Ramakrishnan and Thakor, 1984; Boyd and Prescott, 1986; Allen, 1990; Greenwood and Jovanovic, 1990; King and Levine, 1993; Kashyap, Stein and Rajan, 1998.</td>
<td>• Financial intermediaries undertake the costly process of researching investment possibilities for others</td>
</tr>
<tr>
<td>2. Monitoring firms and exerting corporate governance.</td>
<td>- Coase, 1937; Jensen and Meckling, 1976; Fama and Jensen, 1983; Myers and Majluf, 1984.</td>
<td>• How equity and debt holders influence managers to act in the best interest of the providers of capital</td>
</tr>
<tr>
<td>- Shleifer and Vishny, 1997.</td>
<td>• Information asymmetries may keep diffuse shareholders from effectively exerting corporate governance</td>
<td></td>
</tr>
<tr>
<td>- Townsend, 1979; Gale and Hellwig, 1985; Boyd and Smith, 1994.</td>
<td>• An extensive literature demonstrates how debt contracts may arise to lower the costs of monitoring firm insiders</td>
<td></td>
</tr>
<tr>
<td>- Aghion, Dewatripont and Rey (1999)</td>
<td>• Link the use of debt contracts to growth through adoption of new technologies.</td>
<td></td>
</tr>
<tr>
<td>- Acemoglu and Zilibotti, 1997.</td>
<td>• Financial systems allow agents to hold a diversified portfolio of risky projects</td>
<td></td>
</tr>
<tr>
<td>- Allen and Gale, 1997.</td>
<td>• Risks that cannot be diversified at a particular point of time (e.g., macroeconomic shocks), can be diversified across generations.</td>
<td></td>
</tr>
<tr>
<td>- Hicks, 1969.</td>
<td>• Liquidity risk arises due to uncertainties associated with converting assets into a medium of exchange.</td>
<td></td>
</tr>
<tr>
<td>- Diamond and Dybvig, 1983.</td>
<td>• Industrial revolution required a financial revolution.</td>
<td></td>
</tr>
<tr>
<td>- Levine, 1991.</td>
<td>• Savers choose between an illiquid, high-return project and a liquid, low-return project.</td>
<td></td>
</tr>
<tr>
<td>- Bencivenga, Smith and Starr, 1995.</td>
<td>• Takes the Diamond-Dybvig set-up;</td>
<td></td>
</tr>
<tr>
<td>- Bencivenga and Smith, 1991.</td>
<td>• Models the endogenous formation of equity markets; links this to a growth model.</td>
<td></td>
</tr>
<tr>
<td>4. Mobilization and pooling of savings.</td>
<td>• Financial markets lower trading costs → increase liquidity → induce a shift to long-gestation, high return technologies.</td>
<td></td>
</tr>
<tr>
<td>- Bencivenga and Smith, 1991.</td>
<td>• Financial intermediaries eliminate liquidity risks → increase investment in high-return, illiquid assets → accelerate growth.</td>
<td></td>
</tr>
<tr>
<td>5. Easing the exchange of goods and services.</td>
<td>- Greenwood and Smith, 1997.</td>
<td>• Mobilization is the costly process of agglomerating capital from disparate savers to investors.</td>
</tr>
</tbody>
</table>

**Source:** Tridip Ray, Financial Development and Economic Growth: A Review of Literature
Financial instruments, markets, and institutions arise to ameliorate the effects of information, enforcement, and transactions costs, which have a direct impact in the savings rates, investment decisions, technological innovations and steady-state growth rates. But, from another point of view, changes in economic activity too can influence financial systems with dynamic implications for economic growth. The effects from financial development to economic growth and from economic growth to financial development can be defined to be a vicious cycle.

3. Economic Crisis during 1929-1933 for SEE

The overall states and countries were affected by both crises. These global downturns affected also the South East Europe. Big changes were obvious in trade, industrial production, private consumption, inflation, FDI, commercial lending and government accounts. But it should be taken into consideration the period of 79 years between the crises which underline some significant differences in economic philosophy and policy. For example, the stock market in 2008 did not decrease as much as in 1929.

According to Robert J. Samuelson, (The Great Depression, Concise Encyclopedia of Economics), the depression can be understood only in the context of the times. There are four huge differences between then and now:

3.1 The gold standard

Most money was paper, as it is now, but governments were obligated, if requested, to redeem that paper for gold. This "convertibility" put an upper limit on the amount of paper currency governments could print, and thus prevented inflation. There was no tradition (as there is today) of continuous, modest inflation. Most countries went off the gold standard during World War I, and restoring it was a major postwar aim. Britain, for instance, returned to gold in 1925. Other countries backed their paper money not with gold, but with other currencies—mainly U.S. dollars and British pounds—that were convertible into gold. As a result flexibility of governments was limited. A loss of gold (or convertible currencies) often forced governments to raise interest rates. The higher interest rates discouraged conversion of interest-bearing deposits into gold and bolstered confidence that inflation would not break the commitment to gold.

3.2 Economic policy

Apart from the gold standard, economic policy barely existed. There was little belief that governments could, or should, prevent business slumps. These were seen as natural, therapeutic, and self-correcting. The lower wages and interest rates caused by slumps would spur recovery. The 1920-21 downturn (when industrial production fell 25 percent) had preceded the prosperous twenties. "People will work harder, live a more moral life," Andrew Mellon, Treasury secretary under President Herbert Hoover, said after the depression started. "Enterprising people will pick up the wrecks from less competent people," he claimed. One exception to the hands-off attitude was the Federal Reserve, created in 1913. It was charged with the responsibility for providing emergency funds to banks so that surprise withdrawals would not trigger bank runs and a financial panic.

3.3 Production patterns

Farming and raw materials were much more important parts of the economy than they are today. This meant that lower commodity prices could cripple domestic prosperity and world trade, because price declines destroyed the purchasing power of farmers and other primary producers (including entire nations). In 1929 farming accounted for 23 percent of U.S. employment (versus 2.5 percent today). Two-fifths of world trade was in farm products, another fifth in other raw materials. Poor countries (including countries in Latin America, Asia, and Central Europe) exported food and raw materials and imported manufactured goods from industrial nations.

3.4 The impact of World War I

Wartime inflation, when the gold standard had been suspended, raised prices and inspired fears that gold stocks were inadequate to provide backing for enlarged money supplies at the new, higher price level. This was one reason that convertible currencies, such as the dollar and pound, were used as gold substitutes. The war weakened Britain, left Germany with massive reparations payments, and split the Austro-Hungarian Empire into many countries. These countries, plus Germany, depended on foreign loans (in convertible currencies) to pay for their imports. The arrangement
was unstable because any withdrawal of short-term loans would force the borrowing countries to retrench, which could cripple world trade.

The impacts of 1929 crisis are as follows:

- Unemployment increased significantly
- Gross national product declined
- General prices of goods fell dramatically
- Gold standard collapsed (governments tried to protect their reserves of gold by keeping interest rates high and credit tight for too long).
- Negative impact on credit, spending, and prices.

The incomes of neighbors and partner countries in trade fall significantly due to the fall in prices of primary products. The foreign debt payments became extremely difficult and by the end of 1931 countries like Poland, Romania, Yugoslavia and Bulgaria were in an untenable indebtedness. There were two main policies to overcome the negative effects of crisis, exchange controls and state intervention into the industrial and financial sector. These policies had significant deflationary effects on enterprises and a knock on effect on the financial and credit facilities.

4. Economic Crisis during 2008-2010 for SEE

The great depression affected deeply all the economy of SEE countries. The EU trade partners falled the demand for export which affected to lower industrial production, reducing private consumption inflation, FDI, commercial lending and government accounts.

4.1 Trade

During the recession period in 2007-2008 the export in all SEE countries has slowed dramatically almost 40% from January to July 2008. Trade has dropped in manufacturing export by 5% per month, furniture equipment, and in all important export industries for many SEE countries. Albania’s export reduced demand in its largest trading partners. Bosnia and Herzegovina affected from the collapse in commodity prices while Croatian exports faced with the real effective appreciation of the kuna relative to the euro in 2008. Merchandise exports in 2008 have declined by 32.2% in the Former Yugoslav Republic of Macedonia but for 2009 it saw trade growth like Bulgaria and Romania.

Figura1. Total SEE Exports to EU-25

4.2 Industrial production

In the half of 2008 and early 2009 industrial production and export have declined more than GDP in those countries with average growth 3%/month for industrial production. In the Federation of Bosnia and Herzegovina prices has declined also global demand reduced in the mining of metal ores by 50%. Bulgaria was affected more in manufacture of basic metals declined by 58% and it has fallen 16% for output of basic and fabricated metals. Both Macedonian and Montenegro face declined in production in the mining and quarrying industry. It is not only the mining and metals industries but also textiles and clothing, motor vehicles and machinery and equipment production were all affected. However in December 2008, manufacturing output seemed to increase in Bosnia and in early 2009 industrial production has increased in almost all countries.
As all the other economic indicators, domestic consumer spending and private consumption have fallen as a result of weakened consumer confidence. In all countries retail trade has declined but for Croatia has been a dramatically decrease. The decline in Romania for retail trade was mostly evident in the sales of motor vehicles which were down by 32%. In Moldova, growth in private consumption has declined from 8% in the half of 2008 to only 4.5% in 2009 and an important factor leading domestic consumption into downturn is the reduction of remittance inflows. In 2008, a current transfer has fallen for all countries except Montenegro, where they grew by 3%, and Serbia.

In Bosnia and Herzegovina current transfers fell by 28%, in Croatia by 11%, in Moldova by 7%, in Romania by 44% while the biggest fall in current transfers happened in Bulgaria and the Former Yugoslav Republic by 38% and 46% monthly.

The crisis affected negatively the FDI inflows by reducing them from EUR 7.6 billion to 4.8 billion inside of four months. FDI fell by 36% in Bulgaria, 20% in the Former Yugoslav Republic of Macedonia, 12% in Montenegro and 9% in
Romania. Also the countries like Albania, Croatia and Serbia faced the sharpest decline in FDI. The most affected from this crisis are manufacturing, food processing, apparel, chemicals and plastics, machinery, equipment and computers.

**Figure 5. Total FDI in SEE**

![Total FDI in SEE](image)

### 4.5 Inflation

Before the 2008 recession, the SEE countries experienced higher rates of inflation around 10% reflecting increases in the international price of oil and surging food prices but in the half of 2008 the slowdown in consumer consumption lead to weakness inflation in all countries. In Bulgaria, average consumer prices changed by 12% in 5%. In Croatia, consumer prices came down to 2.9% while in Moldova fell significantly to 1% Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia and Romania have also seen falls in consumer price inflation.

**Figure 6. Consumer Price Changes**

![Consumer Price Changes](image)

### 4.6 Government accounts

In the current years, few governments in the region have recorded a budget surplus. For 2007, as it seen in table, Bosnia and Herzegovina, Croatia, Moldova and Romania all recorded a budget deficit. Only Bulgaria enjoyed a budget surplus, of 3.8% of GDP in 2007 and in 2008 it estimated 3% in order to expand fiscal stimulus policies.

**Table 2. Government Budget Balance (% GDP)**

<table>
<thead>
<tr>
<th>Government budget balance (% GDP)</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia and Herzegovina</td>
<td>-0.60%</td>
<td>1.00%</td>
<td>2.20%</td>
<td>-0.30%</td>
<td>-2.00%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1.70%</td>
<td>3.10%</td>
<td>3.60%</td>
<td>3.80%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Croatia</td>
<td>-2.70%</td>
<td>-1.80%</td>
<td>-0.70%</td>
<td>0.20%</td>
<td>-0.40%</td>
</tr>
<tr>
<td>Macedonia (FYR)</td>
<td>0.40%</td>
<td>-0.80%</td>
<td>-0.60%</td>
<td>0.30%</td>
<td>-0.80%</td>
</tr>
<tr>
<td>Moldova</td>
<td>0.40%</td>
<td>2.00%</td>
<td>-0.30%</td>
<td>-0.30%</td>
<td>-1.00%</td>
</tr>
<tr>
<td>Romania</td>
<td>-1.00%</td>
<td>-0.80%</td>
<td>-1.50%</td>
<td>-3.20%</td>
<td>-4.90%</td>
</tr>
<tr>
<td>Serbia</td>
<td>-2.04%</td>
<td>2.31%</td>
<td>2.47%</td>
<td>0.97%</td>
<td>-3.58%</td>
</tr>
<tr>
<td>Average</td>
<td>-0.55%</td>
<td>0.72%</td>
<td>0.74%</td>
<td>0.21%</td>
<td>-1.38%</td>
</tr>
</tbody>
</table>
For 2007 the total external debt stock in the region was about 58% of total SEE GDP and for 2008 is seemed to have increase 24% which predicts a higher interest and principal payments for many countries.

Table 3. External Debt Stock (% GDP)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>18.53%</td>
<td>16.18%</td>
<td>16.83%</td>
<td>15.85%</td>
<td>14.23%</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>52.33%</td>
<td>49.19%</td>
<td>46.22%</td>
<td>46.83%</td>
<td>44.23%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>63.38%</td>
<td>57.59%</td>
<td>66.03%</td>
<td>83.55%</td>
<td>88.88%</td>
</tr>
<tr>
<td>Croatia</td>
<td>91.59%</td>
<td>78.30%</td>
<td>87.32%</td>
<td>90.09%</td>
<td>90.86%</td>
</tr>
<tr>
<td>Moldova</td>
<td>74.90%</td>
<td>68.70%</td>
<td>70.89%</td>
<td>75.09%</td>
<td>66.19%</td>
</tr>
<tr>
<td>Macedonia (FYR)</td>
<td>38.28%</td>
<td>38.89%</td>
<td>42.46%</td>
<td>47.37%</td>
<td>49.21%</td>
</tr>
<tr>
<td>Romania</td>
<td>39.18%</td>
<td>39.51%</td>
<td>44.92%</td>
<td>45.98%</td>
<td>46.38%</td>
</tr>
<tr>
<td>Serbia</td>
<td>57.50%</td>
<td>58.96%</td>
<td>61.69%</td>
<td>63.10%</td>
<td>69.02%</td>
</tr>
<tr>
<td>SEE average</td>
<td>54.46%</td>
<td>50.92%</td>
<td>54.54%</td>
<td>58.48%</td>
<td>64.97%</td>
</tr>
</tbody>
</table>

5. Conclusion

There is a vast literature regarding the causality direction – finance-led growth, growth-driven finance and bi-directional – between financial development and economic growth. In this paper we take into consideration the two crises, that of 1929 and that of 2008 and their impact in economy. Even if these two crises have similar impacts, they have also differences because of the 79 years gap between them. The main differences existing during these two crises in the economic aspect are listed as gold standard, economic policy, production pattern, the impact of WW I.

To sum up, the crisis of 2008 had negative impact in trade volume for SEE countries. Industrial production and private consumption had significantly decreased for this group of countries. Foreign direct investments, inflation rates and budget accounts had a lot of fluctuation after 2008. All these negative impacts have formed a closed cycle (negatively influencing) from financial sector to economic growth and vice-versa. Even though, it is important to underline that almost all the SEE countries had similar impacts, which means that they should adopt similar policies.

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Reform Movements in Turkish Industrial Relations: 
Assessment of New Trade Unions and Collective Bargaining Law No:6356

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Abstract

Turkey has made significant progress toward more democratic labor relations last decade. These reforms are in progress with the Law No. 6356 come into force on November 7, 2012 by the Law on Trade Unions and Collective Bargaining. This law was established by combining Trade Unions Law No.2821 and Collective Bargaining, Strike and Lockout Law No.2822 (Both dated 1983). Now there is just one law for trade unions and collective bargaining and the law aims at to have operations in more democratic environment of all parties. But of course it has some adequate and inadequate effects. This study aims to evaluate the effects of the new Trade Unions and Collective Bargaining Law No.6356 on Turkish Industrial Relations System. The study has mainly structured in three sections. In the first part, the reasons of changing made by law on trade unions and collective bargaining (6356) are discussed. In the second part, the arrangements introduced by new law has examined in detail. In this section the arrangements have also examined within the framework of positive and negative aspects. In the last section, the possible effects of the new regulations on Turkish Industrial Relations System are examined. Within the new Trade Union and Collective Bargaining Law, the new period has been started. Although we can estimate the some positive and negative aspects of the new law, time will show the truth to Turkish Industrial Relations. There are lots of discussions about the new regulation between all parties. Some of them acknowledge that Turkey is approaching to the EU standards day by day, the others believe that labour relations deteriorating day by day. Actually some of the international organisations such as ITUC and ETUC are also supporting the second view.

1. Introduction

Turkey has been in a key transition period in the field of working relations for the last decade just like in many other areas. The Law no 6356 on Trade Unions and Collective Bargaining which was enforced Ob 7th of November, 2012 is also a part of this transition. The alteration of the Trade Unions Law (ITUC, CIS, IGB, 2012) has become applicable despite many reactions from social stakeholders. This study has been prepared with the goals of presenting current changes in working life, reflecting the reactions shown thereto and discussing the possible results.

The Methodology of Study

The study has been constructed on three titles. In the first section the needs for alteration on the Law of Trade Unions and Collective Bargaining has been discussed. In the second section the adjustments made via new law has been presented generally and pros and cons has been discussed. In the last part the possible effects of the new regulation on Turkish Industrial Relations has been discussed.

2. Why a new law is needed?

The industrial relations are dynamic as being a part of natural life. The issues of employer and employee are getting to different levels each passing day. The organized labor force structure which had arisen as a mass movement has lost its power in the last thirty years and has become fragmented (Aidtand Tzannotoz,2002). For the purposes of the needs of the dynamics labor market and for a more libertarian environment regulations have been enforced in the constitution with
law no 5892, 2010 for more extensive rights and liberties for unions. This regulation has required alteration in Union Law no 5982, 2010 and Collective Bargaining Strike and Lock-Out Law no 2822 (ETUC, 2010). As per the end of 2012 this alteration has been concluded via new Trade Unions and Collective Bargaining Law no 6356. The law states that, “it is aimed to re-regulate the union rights and liberties and Collective Bargaining and free collective bargaining rights within the more libertarian and democratic society by taking reaction of Turkish working life to the universal norms all along the line” (general justification of law no 6356, www.tezkoopsis.org/kaynak/6356.pdf). Within this context the need for a new law can be listed as;

1. Need for a lasting law to carry Turkish Industrial relations to forward, to reflect the values of the time and to bring substantial solutions to the problems of Turkish working life
2. To harmonize with standards of EU and particularly ILO conventions No.87 and No.98
3. To facilitate the operation principles for working relations within Turkey by collecting under a single law
4. To meet the needs the social stakeholders efficiently by considering all of the accumulated problems.


The law has been structured in two parts as Trade Unions and Collective Bargaining. It has been comprised of a total of 12 sections (6 for unions and 6 for collective bargaining), 83 articles and 6 provisional articles. Thus the texts of law no 2821 and 2822 have been integrated into a single law (Dereli, 2013).

3.1 Trade Unions Law

The first 6 sections and 32 articles of law no 6356 has been saved for Trade Unions. The general objective has been mentioned in the first article of the law and a reconciliatory structure has been evoked instead of a dissensus structure by mentioning regulations regarding amicable solutions of the conflicts.

3.1.1 Definitions

The definitions such as Responsible Authority, Group Collective Bargaining and Framework Contract are clearly expressed. Framework Contract is a new concept for Turkish Trade Unions Law. It represents the contract in the level of profession among the trade unions and employer’s unions who are members of the trade unions and employer’s unions represented in the Economical and Social Council. (Dereli,2013).

3.1.2 Regulations on structure of Trade Unions, Establishment and its Founders

The regulations regarding the establishment freedom of the trade unions have been removed of details and simplified. The number of professions has been decreased from 28 to 20. The provisions stipulating being a Turkish citizen and an active worker in the relevant profession to establish a trade union have been revoked. Besides the crimes against the constitutional order and operation thereof, against the national defence, against the state secrets and espionage have been revoked and only the general provisions stated in article 53 of Turkish Criminal Code such as bribery, theft and fraud have been mentioned.

There has been a change in the numbers of the management boards of the trade union branch and the confederation which accordingly branches of trade union management boards shall be comprised of at least three and at most five personnel (used to be nine) and whereas confederation management boards shall be comprised of at least five and at most twenty two personnel (used to be twenty nine).

The provision stipulating the requirement of at least five hundred workers for trade union general meeting and at least two hundred and fifty workers for general meeting of trade union branch has been revoked. This issue may be freely regulated in the charters of the trade unions (Basbug, 2102).

3.1.3 Regulations on Trade Union Membership

The new law reduced the eligible age of being a membership from sixteen to fifteen. Whilst the positive and negative trade union freedom are preserved, more than one trade union membership is provided to the workers working under different employers in same sector.
Another striking regulation brought for membership is that the condition of notary public has been revoked and that membership application has been made available via e-state gateway. Unless the application is rejected by the trade union within 30 days the membership is deemed to accept.

Membership fees may be freely determined within the charters of the trade unions now. The membership scope of the trade unions for international institutions has also been extended (Kolcuoglu, 2013).

3.1.4 Regulations on Trade Union Freedoms

Engaging in union activities is among the basic rights and freedoms just like in the previous law (EU-Turkey Joint Consultative Committee, 2012). However one of significant regulations of this law is that the workers who are beneficiaries of Labor Act no 4857, shall have right to sue in case of termination of the labor contract due to union related causes (Baskan, 2013). Job security provisions shall be applicable for workers who have been working at least 30 days for workplace having at least 30 personnel working within.

3.1.5 Regulations on Assurance of Trade Union Leader

The new law contains provisions regarding assurance of the trade union managers and workplace representatives just like the previous law. The trade union managers may leave their jobs with severance pay and may return back to their job when their managerial duty is over.

The rights of the trade union representatives are extended in the new law. The amateur trade union representatives also have the same rights with the trade union representatives (Akyigit, 2012; Şahlanan, 2013). Thus the lack of assurance issue which was criticised in the previous law seems to be covered relatively (Özkaraca, 2013).

3.1.6 Regulations on Trade Unions Activity

In the new law where the trade unions are allowed to act freely the commerce and politics are still forbidden for them. The trade unions are short in the effort of their establishment reason of defending the rights and benefit of the members when they can’t perform political acts. As the trade unions lost pace in other social activities due to the general structure no restrictions imposed legally thereof (Ersinadım, 2012).

3.2 Collective Bargaining Law

The last 6 section of law no 6356 (sections 7-12) and articles 33 to 75 have been spared for Collective Bargaining.

3.2.1 Regulations on Structure of Collective Bargaining and its Species

The most recent regulation enforced regarding the collective bargaining is Framework Contract. With the help of this contract it is aimed to establish common regulation frameworks (Aktay, 2012). Regulations regarding the labor health and safety, social responsibility and employment policies may be arranged via framework contracts (Alpagut, 2012).

3.2.2 Regulations on Collective Bargaining Competence

The threshold required for collective bargaining competence of 10 % of the previous law has been reduced to 3 %. This rate shall be applied as 1 % for the ESK member trade unions for the first three years (until 2016). The practice of 50%+1 for the workers of the workplace where the contract shall be signed is still ongoing for determining of the competence. The competence is still determined by the state (Ministry) same as before (Onsal, 2012).

3.2.3 Regulation on Collective Bargaining Utilization

Like in the previous law the right of utilization of the collective bargaining stands with the members. The non-members may utilize from the provisions of the bargaining by paying solidarity fee. The solidarity fee is determined in the charters provided not to exceed the membership fee (Canbolat, 2012).
3.2.4 Regulation on Strike and Lockout

In the provisions regarding the strike and lock-out, particularly in the group collective bargaining, the scope of application of lock out has been expanded. It is seen that all the workers are included into the strike voting and thus the utilization of strike right has been shrunk. The strike prohibition is ongoing in banking services (Caniklioğlu, 2012).

3.3 Evaluation of the Positive and Negative Aspects of New Trade Unions and Collective Bargaining Law Arrangements

The new trade unions and collective bargaining law, has been enforced together with the reactions, expectations and loss of the social stakeholders. Although some issues particular to Turkey have been remedied there have also been some negative regulations which draw reactions. ETUC and ITUC have shown substantial reactions to the negative regulations to restrict the trade union rights and freedoms and moreover they could not achieve and positive result from the letter written by General Secretary of ITUC addressing to the Prime Minister (Sendika.org, 2013).

Despite being more compact as being a single law it is seen that the cons of the new law likely to be more than pros (Kutal, 2012; Celik, 2012)

3.3.1 Positive Aspects

First of all having integrating two laws under one frame is a positive regulation.

In the new law, the number of the professions, which are in discussions for many years have been reduced. The number of professions stated in the previous Trade Unions Law no 2821 which was 28 has been reduced to 20. Although this regulation will also be examined under the negative aspects below we believe it to be a proper decision from the point of organizing the loose professions.

Another significant issue is that the age of membership to trade union has been reduced to 15. It can be said that this regulation will have a positive effect on both protecting the right of the young workers and youth to become accustomed to non-governmental organizations.

The notary public condition which was previously required to be a member of the trade unions has been revoked. Now it is possible to become a member to the trade unions and to quit the membership via e-state. Although this implementation is evaluated as negative from time to time (for the aspects such as the trade union members may change in very short time and the control of the state) it is a positive regulation by the aspects of harmonization to the current conditions and easiness of organization. However only time will show the possible deficiencies of the future (Kutal, 2012).

Another regulation is that it provides right of collaborating with other international institutions along with membership. It is meaningless to shackle the trade unions of our country in a time when globalization has been spread out everywhere. This regulation provided improvement in international efficiency of the trade unions and also their visions.

Extension of the assurance provided to the workplace representatives is an important regulation regarding the protection of right to association. Especially the extension towards the amateur trade union representatives is expected to improve the potential of unionization. This regulation is also in conformity with the contract no 135 of ILO (Kutal, 2012).

In audit of the trade unions the activation of the independent accountants provides both supports the previous regulations (removal of state audit) and a proper audit process in conformity with ILO norms.

3.3.2 Negative Aspects

It should also be determined the negative aspects of the provisions of the law. First of all the function and efficacy of the new concept of “framework contract” shall be discussed. According to the law the contract is defined as a profession based contract signed between the trade unions and employer's unions which are members of the trade unions and employer’s unions represented in the economical and social level. Even if we think that this contract is conducted to create a competition environment (like labor health and safety standards) there is no significant regulation regarding its validity and sustainability. Shortly this contract is not a must one. Moreover there is no clear explanation on which sanction shall provide its binding when it is conducted (Kutal, 2012).

We encounter another important regulation under the title of definitions. It is said that “the terms of worker, employer and workplace are as defined in Law no 4857 as per the implementation of this law”. However for many years it has been emphasized in academic and union communities that the terms of individual law and collective labor law cannot
be compatible. For avoidance of confusion of the terms it should be better to define each terms in law no 6356 and also referring these definitions to another law is against the contract no 98 of ILO.

Another inappropriate regulation is that the professions are still being determined by the Ministry of Labor. However according to the ILO norms it should be better that this fixation to be made by a commission to be comprised of worker-employer and state triangle. Moreover fixation of the profession by regulation instead of charter creates a situation that the state can do work place replacement under the discretion of the government for the relevant professions and which makes us hard to understand the resetting this regulation which we changed many years ago (Celik, 2012).

According to the Law no 6356, more than 1 year of unemployment causes the termination of trade union membership. One must say that this regulation is inappropriate for a country like Turkey where long-term unemployment is not rare. Moreover this regulation is contrary the contract no 87 of ILO.

For many years the obligation of the trade union representatives to quit their duties within the trade union when they are elected in general or local elections. These people are elected with the commitment of protecting their rights and benefits. It is of no use for these people to be forced to cut relation with the mass that they represent. The direct representation authority of the political arena shall be re-defined and it shall be proper to make adjustments in EU standards particularly (Kutal, 2012).

Another inappropriate regulation is regarding the individual trade union rights. In the sub clause 5 of the article 25 of the Law titled Trade Union Freedom Assurance of the Law it is referred to the relevant provisions of the Labor Law for the breach of trade union rights and this raises doubts on how persons not entitling this right can protect its rights. This situation is clearly contrary to the contract no 87 of ILO.

It is also an important inappropriateness to remove the provision of sparing and expending 10 % of their income for training activities. Moreover it would be much proper to continue with previous regulation in parallel of the recognition of the Training Profession with the new Law which is a positive aspect.

*The situation regarding the Collective Bargaining is as follows:*

The requested number of members for the competency along with the professions has been reduced in the law. The requested member rate for the entire country has been reduced from 10 % to 3 %. However it can not be said that this rate decreased in real terms in parallel with this reduction. According to some calculations this rate is 24 % in some professions (DISK, 2012). Of course this creates an important obstacle in organization. Moreover these kind of numerical regulations become subject to critics as they are contrary to contract no 87 and 98 of ILO (Demir, 2012-2013).

The group contracts have the risk of causing strikes and lockouts despite being more openly arranged than previous law (2822).

The regulations identifying the way to how the collective bargains shall be conducted in cases of consolidation and transfer of the trade unions is a positive development.

There has been some changes regarding the provisions of the voting of strike. In the previous law no 2822 the workers who are member of the trade union had voting right for strike, with the new law this is only given to the participants of the strike. We believe ILO, supporting all kinds of regulation to remove the obstacles for strike will not support these measures regarding removing strike decision more easily.

4. **Assessment of New Trade Unions and Collective Bargaining Law in terms of bring about changes on Turkish Industrial Relations System**

The new Trade Unions and Collective Bargaining Law has been prepared in order to bring proper regulations for the current conditions. The law with the main objective of harmonization to EU and ILO norms still seems to have substantial shortages (Friedrich Ebert Stiftung, 2012). Moreover it is a doubt in minds that how some regulations made in order to harmonize EU norms be actively utilized. The obstacles of trade union organization in Turkey can not only be looked for in legal ground. The constituent of trade union structure is democratically mature minds. Without achieving this it is a mistake to except highly positive reflections from these regulations. For instance the issues of reducing the number of professions or decreasing the competency rate to 3 % are perceived to be gains or losses yet the reality is beyond that. Even the competency rate in Turkey is decreased to 0 % the reaction of the current economical order against organizing of trade unions shall be considered deeply. Moreover this reaction is not only limited with Turkey. It is clear that in the entire world the trade union organizational structure is in decline. Therefore what has to be done is not to remove or re-arrange the regulations which were seen to be obstacles in the past but to be in an effort to provide trade unions a new mission/re-define them. The trade unions will continue to be crunched under the current global economical wheel unless they are taken out of the traditional industrial relations. Re-structuring the trade unions in a level which is concerned by the entire society and to expand the area of effects shall be a realistic barrier against this decline. The alterations in
legislation performed in Turkey are far from this perception and as long as they continue to be regulations bear the traces of the past the structure of trade of unions will not be in the desired level.

As Celik’s declared; There are 1.4 million work places in Turkey which is subject to Labor Law. In 95 % of these workplaces there are less than 30 workers are working. This means that 5.7 million of more than 11 million of workers which makes 52 percent of them are working in workplaces having less than 30 workers. These figures indicate that trade union organization provides no assurance in nearly all of the work place and for more than half of the workers (Celik, 2012a).

5. Conclusion

The new trade unions law has been enforced with its pros and cons. When it is considered generally the negative aspects are seem to be more. Making regulations under a single law, removing the notary condition in membership, reducing the required age for membership, the regulations which may help to the capacity of being member to the international institutions are positive aspects. On the other hand, harming the trade union assurance, reducing the profession and extending the organization universe, the still dominant role of the state, trade union-politics relation continuing to be stern and regulations to obstruct strike implementations indicates the negative aspects.

It needs to be expressed that the trade union challenge is a matter of a deeper mind. Of course the legislation has its part in trade union challenge. However even a near perfect legislation infrastructure cannot succeed without an organization culture and people who does not have the necessary faith for this challenge.

A new industrial relations era has commenced in Turkey regarding the new trade unions and collective bargaining law. Whatever regulations are made, it is clear that the trade unions and higher institutions will continue to lose power. Focusing only in legal regulations in creating a trade union culture and neglecting the organization culture within will help for nothing only for but more decline and loss of power.

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William Wied, Prince of the Albanians – When, Why and How?

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Abstract

In a short study, “Wied, The Albanian Prince, When, How and Why”, are treated moments when the Great Powers took the reins to determine not only the territorial expansion but also the Status of the Albanian State. It was the Ambassador Conference which decided that Albania was constitutional autonomous principality, sovereign and hereditary under the guarantee of the latter. But, the principality wanted her own prince. Precisely those 6 Powers appointed their chosen, that after many debates was chosen Prince Wied. The following paper mainly deals with the chronological method, how Prince Wied was precisely chosen, who was, where did he came from and which stance was held in connection with his image. What were the dilemmas of Wied before he took the throne of Albania and what were his demands as warranty for these throne. In the “paper” it is comes about a short period but full of sensational and cluttered events, which swept almost all the Albanian territory, leaving its trace in history as scars and wrinkles in the face of the human remains. For a period when for the first time in its history, Albanians were recognized by the Great Powers, the status of an autonomous state, the status of which had fought for centuries the most prominent figures of the country. For a “period” Albania became “with of his own, his choice right way and we handled my thesis.

1. Introduction

November 28, 1912 is a symbolic date in the history of the Albanians, a date that put to an end the Ottoman conquest, a date that marks a fundamental turn in the destiny of the Albanians and the destiny of their state. After many centuries, it is affirmed the idea of national unity, and it happened at a time when the presence of foreign armies in the country went on. On November 28, 1912, with the proclamation of independence in Vlora, the new Albanian state started a long affectionate road. It started attempts for recognition by the great powers. Albanians wished to be recognized in the international arena together with all changes happening in their political life. They asked for the international recognition believing that they had entered in the family of the East European peoples, and underlining that their goal is to live in peace with all other Balkan states.

In the international arena, complete victory of the Balkan countries against the Ottoman armies in the Balkan conflict and the December 3, 1912 armistice between the Balkan alliance and the Ottoman government, led Balkans towards a re-composition of its borders1.

Situation created at the end of December 1912, led to the immediate necessity of the re-design borders of Balkan states that has been part of a great empire, the Ottoman one. To resolve the created geopolitical situation, it was born the idea of a conference of ambassadors that was going to discuss all problems of the time and, especially, issues that were related with the end of the Balkan War.

In this context, on December 17, 1912, in London, ambassadors of Great Powers were gathered in a meeting that was recognized as different and the Conference of Ambassadors. The only purpose of this conference, which lasted eight months, was to discuss the Balkans and its future. The conference was chaired by British Foreign Minister, Edward Grey, and participants were the ambassadors that represented Great Powers, such as France, Russia, Germany, Italy and Austro-Hungary.

During this period, the Albanian issue became an extremely important and hot topic. Conference of Ambassador took many months to discuss and decide about projects for Albania. Difficulties remained on the fact that basic projects,

that were presented by the participating powers, remained too far apart from each other, and because compromise was too difficult, as well.

As it comes out from the reports that ambassadors sent to their governments, the Albanian issue was addressed in three main aspects. These were: the status Albania; the internal organization of the new state; and the border problem.

Consequent in their stance not to recognize the domestic factor in the organization of the new Albanian state, the Great Powers, from the first meeting on December 17, 1912, gave this issue an international character, what meant that the state apparatus will be set up by the Great Powers.

The conference reached at its final decision on 29 July 1913, under which it was recognized the independence of Albania, and it was announced an "independent Principality, hereditary and neutral, under the guarantee of the Great Powers." The conference took many important decisions that had to do with the territorial integrity of Albania. As far as Albanian territorial frontiers were concerned, for the sake of international interests, it were disregarded the interests of Albanians nationwide. Albanian lands were disintegrated and for the sake of a "compromise" Kosovo was given to Serbia and Chamëria (Çamëria in Albanian) to Greece. And the map of Albania was shaped and reduced more or less to the appearance that it has nowadays.

In early 1914, Albania continued to have a highly fragmented society, which had no clear unified political goals. Albania and its geopolitical framework itself were strange for the time. It was connected to the East by land, but steering away from the aspirations of its leaders at the time; it was far from the West so geographically close, the West that was aspired by progressive political lords of the time. Albanian feudal lords not only differed from the European ones, but they were still having characteristics of old times clans that being involved in the context of Ottoman institutions, could only govern with local laws and traditional rites, which were not written2.

In the current situation, Albania was put under some international protectorate, which in fact limited the full exercise of sovereignty through a multilateral control consisted of six Great Powers of Europe, i.e. UK, France, Austro-Hungary, Germany, Russia and Italy.

This custody was taken even as a result of the then existing fears for the creation of a power gap as a result of internal weakness of the new Albanian state itself, and of the fact that it had around a very hostile Balkan reality about their lands, this because Albania has, as always, been and was at the centre of territorial goals of its near and distant neighbours.

According to the decisions of the Conference of Ambassadors, Albania was proclaimed an autonomous principality and a sovereign hereditary under the guarantee of the six great powers. Regarding the governance of the state it was decided that the leader was going to be appointed by the six great powers; it was expelled any sovereignty connection with Turkey; Albania was declared a neutral country and this neutrality was guaranteed by the six powers; prince was going to be appointed within maximum of six months; the functioning of the existing local authorities, as well as of the gendarmerie, was going to be under the control of the International Committee; the government and the public order was going to be provided by an internationally organized gendarmerie, and the constabulary officers were going to be selected among the ranks of the Swedish army...3

Appointment of foreign monarchs on top of new states was a defined solution by the European Great Powers. Before the case of Albania, the same solution was as well given to other Balkan states that had emerged independent at the end of Ottoman rule. Monarchs (being princes or kings), who was put in charge of Greece, Serbia, Bulgaria in 19th century were descendents of great European imperial or royal courts, who came here to establish a new dynasty associated with great families4.

List of candidates for the Albanian throne was too long at the very beginning. All candidates, for various reasons, met with the contradiction of interested sides. Senior officials of the Albanian provisional government, on top of which stood Ismail Qemail, tended themselves towards a prince coming from the West, an aspiration they did not hesitate to express not only to the Western Powers, but also to Constantinople.

In the impasse created, the decision for the Albanian throne was left to Austro - Hungary and Italy. Were these two powers that finally decided that Albania would have a Protestant prince of German origin, and specifically would be Wilhelm of Wied. He was going to be the Prince of Albanians and Albania was therefore going to be announced a principality and the city of Durrës was going to be its capital.

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2 Salleo Ferdinando, Shqipëria gjashtë muaj mbretëri, SHLK, Tiranë 2000, pp.29.
2. **Who was Prince Wied**

His family name come from Wied, an area in Rhineland - Platinate, located on the river Wied a branch of the Rhine. Wied appeared as a county much earlier than other German shires. From 1243 until 1462 Wied was joined county of Isenburg as Isenburg - Wied.

Wied became ruler of Albanians from 7 March 1914 to 3 September of the same year, i.e. for a period of six months and is known as Wilhelm von Wied.

Wilhelm von Wied, Prince of Albanians, was born on March 26th, 1876 in Neuwied castle in Rens near Coblenz in Germany. He was baptized with the name Adolf Wilhelm Maximilian Karl, Fifth Prince, Earl of Isemberg, Lord of Rankel and Neurerburg, sometimes president of the Prussian House of Lords and a member of the German Imperial Council for Colonial Issues. He died on 18 April 1945 in Predeal, Romania.

Wilhelm was the third child, and the fifth ruler of Wieds of Germany. He was the grandson of Queen Elizabeth of Romania, his grandfather was Herman, prince of Wieds and his grandmother was princess Maria of Nassau, who was the sister of William, the Duke of Nassau.

He was married in November 1906 in Vanderburg, Saxony. With Princess Sophia of Vanderburg he had two children, Princess Mary Eleanor (1909 - 1956) and Prince Carol Victor (1913-1973). Wied received his education at the University of Jena in Germany and served as a Lieutenant in the Royal Guard Corps of the Prussian Army. He was promoted to captain of cavalry in 1911, before he became captain of the General Staff of Germany. During his life he worked as a military and politician.

This was Wied, whom the six Powers of Europe selected at the head of the Albanian state on November 23, 1913, and who was ratified by the Albanian Provisional Government on 3 December of the same year.

If Wied won and was appointed to the post of prince of Albania, this was due to the selection of Austro-Hungary and Italy.

However it's worthy to note that the Berchold and San Giuliano (respectively foreign ministers of the two countries), initially and continually, were going to exhibit strong doubts about Wied’s skills to cope with this difficult task. Both Powers stopped at Wied's candidacy because he had the advantage of being German and Protestant. It was thought that as such, during his reign on the throne of Albania, he could ensure a fair balance within the multi-religious country, and could face the contradictions between the Great Powers.

3. **Wied’s attitude about his selection**

On 3 December 1913, Prince Wied was introduced with the decision of six powers about his candidacy for the throne of Albania.

At first Vied was not shown enthusiastic to accept the throne. He knew that even the German Kaiser Wilhelm III, his cousin, was not enthusiastic. In addition, the Kaiser had expressed doubts about the Wied’s personal skills to perform the mission entrusted by the Great Powers.

In his memoirs, written after the events in Albania and after the World War II, Wilhelm, Emperor of Germany, shows his doubts about the capability of Prince Wied to govern. “It was particularly unpleasant - Kaiser says - that a German prince to go and was laughing at such a place”.

In a later memoir, Wied himself attempted to explain these doubts with the fact that the Emperor was essentially Grecophile, due to the effects of his sister, the queen of Greece, and brother-in-law, King Constantine.

In his life, Wied had proven to be a very capable military. In 1914, through an open competition, he was made captain of the German General Staff, but he was not familiar with Albania and never asked by himself the throne of Albania.

His candidacy was influenced mainly by his aunt, Queen Eleanor, who pushed him to accept the throne.

Queen Elisabeth of Romania, but the queen and a writer known by the nickname "Carmen Sylva", loved her nephew so much, and pushed to her husband, King Carol, to try his best for Wied's election to the throne of Albania.

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5 http://www.royalark.net/Albania/wied.htm.
6 Puto A., Shqipëria politike 1912-1939, TOENA, Tiranë 2009, pp.120.
7 Puto A., Shqipëria politike 1912-1939, TOENA, Tiranë 2009, pp.120.
this purpose, she wrote a series of articles where she praised Wied, saying: "Romanians called Lohengrin, when he appeared in a white uniform of a bodyguard and with a silver eagle."9

Together with the commitment young Wied had shown during his studies, described him as a lad who was always seen with the books in hands, Elisabeth of Romania did not forget to describe the physical appearance of the one who would later become the prince of the Albanians.

He was described as a young officer, able to hoist with one hand any of his colleagues. He was superlatively described for his chivalric and military capabilities, as well as for his artistic talent.

Queen went so far, that with her writings, she was symbolically addressed even to the future citizens if her nephew, who "...would protect their wealth and blood ...". "It is said that the Albanians are the oldest population of Europe, the Pelasgians. Their language has no resemblance with Latin or Slavic languages. Their loyalty is so famous from ancient times. In all our countries (Romania), we have always had only Albanians, as guards of our houses, banks. Never can an Albanian be a traitor. His given word, besa, is a holy thing. Rigor in character is so great in the old homeland of men, and for this Albanians deserve to have in their forefront a holy and very beautiful family life."10

Articles of "Carmen Sylva" have occupied the place of honour in the pages of Italian magazines, which showed their enthusiasm for "Monarch preferred by Europe". This press made comments of praise, describing a prince who was actually not known at all.11

In addition to Queen Eleanor, Wied had even the strong push of his wife, Sophia, who dreamed to emerge from anonymity and to enjoy all the luxuries and splendours of a royal court, even in the modest size of the Principality of Albania.

Despite dilemmas, on December 31st, Prince Wied answered to the communication the Great Powers asked him on December 3rd about their decision for the throne of Albania. In this letter he wrote that:

"I really am generally prepared to accept the throne of Albania, but I cannot give a definitive answer as powers only to give their views on the conditions formulated by me, which are:  
1. Since the first article of the London Protocol provides that Prince is appointed by six Great Powers, it should first be finalized the approval of my candidacy.
2. A representation of all regions of Albania must come to Germany and offer me the throne of their country.
3. Esad Pasha must give a guarantee that he recognizes the wish of Europe and that he submits the new prince.
4. Great Powers or a part of them, must guarantee a loan of 75,000,000 francs with a banking interest of 4%, which can be paid in different instalments. The first instalment must be of 20,000,000 francs.
5. Prince must receive a civic roll of 200000 francs per year, which was an aid out of the loan.
6. The organization and administration setup of the country is a matter that must get the approval of the Prince.
7. The southern Albanian boundary must be located, at least at the main points, thus must be ruled out the possibility of arising disputes because borderline should be final."12

All points presented by Wied at first sight were reasonable given the Albanian reality, which was filled with internal problems, but was faced with external interference, as well. But the European powers were inappropriate.

According to a letter that Edward Grey sent to Foreign Office, it is stated that:

"Regarding seven points formulated by Prince, the first seems too big since the offer of great powers to grant the Crown of Albania should also have their "approval" to his candidacy. However if Prince wants a second approval, Powers may agree with his request.

Regarding the second point, in my opinion, is not in the hands of the powers to organize the representation of Albanians. Great Powers were offering the throne, and Prince should do what he thinks fit to satisfy himself, as well as the feelings of the Albanian people.

On the third point I can say that there is no reason why the Great Powers give him a special guarantee for good behaviour of Esad Pasha, although even if they wish to they are not in such positions to provide such a guarantee.

Moving on to the fourth point, which must be given definitely 4% of the debt, this is a new condition. All details of the debt must be part of other considerations, the issue of money trading at the time of issuance. Conditions set forth in paragraphs 6 and 7 appear justified."13

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9 Salleo Ferdinando, Shqipëria gjashtë muaj mbretëri, SHLK, Tiranë 2000, pp.54.
10 Ymeri B., "Mbretëresha e Rumanisë dhe respekti i saj ndaj kombit shqiptar", http://www.zemrashqiptare.net/article.
12 Gurakuçi R., Principata e Shqipërisë dhe Mbretëria e Greqisë 1913-1914, UET/PRES, Tiranë 2011, pp. 121.
Prince with his own conditions seemed to prefer waiting until the complicated situation in his future kingdom was clarified. But, the European capital cities insisted he leaves soon for Albania, where the situation was increasingly complicated. Even the Greeks, who wanted somehow a slow installation of the new regime, thought of leaving not only because they predicted that this regime was going to be weak and slow, but they also feared a military intervention of the Great Powers.

While Wied submit their requirements before the Great Powers, in a way he had decided what to do with Albania. This appears even in the records left by Duncan in his book. He describes moments when Wied was in Potsdam. He writes that on January 7th, 1914, in Potsdam, Prince really worked so much as he had not done before. He spent most of the time at his desk writing. Meanwhile, they occasionally receive many controversial voices from Albania14.

4. Albania awaiting for Wied

In Albania unrest continued, in places like Vlora, Elbasan, etc., but sometimes they appear even in other parts of the country. In the south, Greeks kept "Southern Epirus" occupied.

In the provisional government headquarters in Vlora intrigues between leaders had no end and this thanks to the feverish activity of Turkish agents, working to increase discontent among the Muslim population, based on the fact that a foreign Christian prince was appointed to run Albanians.

The interim government leader Ismail Qemali and Senate President Esad Pasha had a divergence, which was hardened after the discovery of a coup d'état attempt by a Ottomanophilic Beqir Aga. This forced the government attempted to declare a state of emergency. The coup d'état was aimed at toppling London's decision to open the road to one of the candidates of the crown, Izet Pasha, who immediately denied this, and this brought a game of mutual accusations. European press pointed at Esad Pasha and Ismail Qemal, who confuted it indignantly15.

Esad Pasha, although he did not deny feelings he had for Turkey, on January 13 to 14 gave interviews to the Italian newspapers and magazines, where he offered guarantee for loyalty to the selected of Europe. In the interviews, he tried mainly push Wied understand that he had the throne due to him, and that he did not give up hope that one day could become ruler of Albania. "During all your life or as long as you have not resigned from the throne - Esad wrote in a letter sent to Wied, published by the Viennese press - no other person shall be the King of Albania ... If Your Majesty will resign or die, only I can replace you".16

Meanwhile, the situation in provisional government was worsened.

On January 15th, Ismail Qemali proposed to Control Committee to take up the governance of the country. Great Powers accepted this proposal, thanking the old patriot, who sent a message even to Europeans asking them to help his brave and unfortunate people and do their best to protect their rights so little respected by enemies. After that, he took a trip to Europe via Vienna. Even Esad Pasha Toptani had promised to resign, but he pretended to. Meanwhile, he indicated that he was going to welcome Prince Wilhelm in order to present to him personally and happily the crown of Albania. Control Committee accepted the condition that Assad Pasha resign and head the delegation that would hand the crown to the prince. He received as well the promise that he would restrain his post as minister of war in the future government.

A favourable treatment of the Great Powers towards Esad is explained even by the fact that he at this turning point of the game was a key player for Albanian diplomatic issue. Around him in the backstage, a great intrigue was played in combination with very confused conflicting interests not only of the great powers, but also of the neighbouring countries.17

It may be thought that the country is finally prevailed by a period of relative calmness.

15 Beqir Aga Grebenea, with his associates, were tried by a tribunal headed by General De Weer which came to light evidence and documents of a conspiracy led by Esat Pasha and Turks. Beqir Aga was sentenced to death. Decision was suspended for the final decision to be entrusted to Prince Wilhelm when he arrived in Albania.Alpha
17 Puto A., Shqipëria politike 1912-1939, TOENA, Tiranë 2009, pp. 120
5. Preparations for Albania

Date of departure to Albania for Prince Wilhelm was still undefined. Again and again press published reports that pushed that date.

In this synoptic, Wied himself sent a delegation (von Trotha) to Durres, whose duty was to undertake preparations for the arrival of the Prince. Von Trotha was accompanied by a part of the royal family staff in order to prepare the place where coming prince was going to live. They were inspecting what was called Konaku (guest house), a building described as very old, more or less uninhabitable. Predictably, the situation was horrible since even the then newspapers were full of caricatures on the condition of the house where Wied was going to live.18

However, Von Torth said he changed konak into a place where you can live. The building had been for a long period of time and uninhabited swelling of a Turkish governor.

On 7 February 1914, the ambassadors of Austro-Hungary and Italy in Berlin informed Wied that his demands were taken into account. Meanwhile, on behalf of their respective governments, they informed that a Austro-Hungarian and Italian banking corporation, acting under the guarantees of the respective governments, was ready to decide immediately available to the Albanian government the amount of 10 million as an advance amount total loan of 75 million, of which all the Great Powers were ready to give to the Albanian government.

In these conditions, in the same day, February 7th, Prince Wied decided to accept throne of Albania. While the working group was still in Albania, Wied began what is called "Thunder Tour". He started a trip in European capitals.19

Despite the mistrust for Wied personal skills to perform the task of the Great Powers that appeared on many quarters, his travel through the capitals of six Great Powers was followed by a tight ceremony.

This tour visits is described quite masterfully by Duncan Heaton-Armstrong20 in his publication “Six-Month Kingdom. Albania 1914”. In the second chapter: Vienna - London - Paris, he describes the route of Wied in the capitals of the world.

On 9 February he left for Rome. The next day in Rome, he met King Vittorio Emanuele III, who handed the necklace Saint Maurizio and Lazzaros. There he met the Prime Minister Giolitti, and the Cardinal who was the Secretary of State of the Vatican, etc., meetings that were held at the Austrian embassy in Rome.

The Italian press of the time underlined that these meetings were not simple protocol visits, but real working meeting, where Wied was shown for a thousand problems that will emerge not only from the internal situation of Albania, but also by the diplomatic developments of the time, seeking a thin nose to maintain equilibrium. Meanwhile, it seemed that he was made known that the road to Durrës passed through Rome and Vienna.

On February 11th, he travelled to Vienna. Prince was accompanied to train station by a representative of the Austrian Emperor and a crowd of interested people. Among them was Dr. Gjergj Pekmezi, an Albanian who was described as highly cultured and a group of young people that, Duncan thinks, were educated in Vienna and were the first people that shouted "Long live the King", calls that they were going to hear when they arrived at Durrës.21

In Vienna, Wied met in a private room with Emperor Franz Joseph, meeting that is described as an unusual experience.

On February 19th, Wied arrived in Paris where his honour was admitted a dinner by the President of the French Republic gave a dinner in his honour that was attended by many dignitaries of the country. There he met with the French Foreign Minister M. Doumergue, who among other things made known to him that “It was the International Committee that was carrying the responsibilities regarding his selection made to him by the Austro-Italians. This selection will be reimbursed by Albania’s international debt, and he would have to tell to the International Committee the way money was spent”.22

Following meetings Wied travelled to London. At the train station he was greeted by the court’s master of ceremonies, and then meetings were held in Buckingham Palace, where the prince met with the royal family.23

On February 25 Wied left Berlin for St. Petersburg, the capital of Russia. There he was initially welcomed by the assistant of the Russian Tsar, who accompanied him to the White Palace, where he met with Russian Tsar. Among other

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18 “Welcome, Willie, I hope you find the palace comfortable”. Cartoon from the Literary Digest, March 14, 1914
22 P.R.O.F.F.O.371 1886 doc.no.7826 pp.402
things in his memory, remained even the impressions of Russian winter, Tsar's Guard Ceremony that was organized in his honour, and the appearance of the city. German Embassy gave a dinner in his honour.

Russia welcomed the prince not only to show support given to him, but to pass the message that he was mandated by all the Great Powers and not just some of them, meaning that it was not only Italy and Austro-Hungary.

Meanwhile, Russian Foreign Minister focused also on the attention Wied had to pay to the Orthodox Christian population in southern Albania. Thus he should avoid any behaviour that could lead to realize that he could be a satellite of Austria and Italy. The model advised by Russian foreign minister was the king of Romania.24

Wied left Petersburg in the following evening. At the train station he was seen off by many ambassadors accredited in Russia, together with a number of Albanians.25

From the appointment of the prince to receipt of the crown would pass two months, while his departure to Durrës was done within a few weeks.

To Albania, he sailed with the Austro-Hungarian yacht “Taurus”, accompanied by an international team led by the British ship “Gloucester”, another reflection of their wish to have a fully controlled ruler. He departed from Trieste towards the Albanian coastline and arrived in Durrës on March 7th, 1914.26

Now everything seemed to be ready for the big adventure waiting for Prince Wied in Albania.

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24 Gurakuqi R., Principata e Shqipërisë dhe Mbretëria e Greqisë 1913-1914, UET/PRES, Tiranë 2011, pp. 121
A Qualitative Research about Talent Management Policies of Companies for “PR” Employees in the 21st Century in Turkey

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Abstract

In today’s world, having a cost effective and focused talent management strategy is particularly critical for every organisation’s success. The talent pool and the development of talents among the entire workforce will determine the future success for most businesses. Talent at all levels of the business is critical to the organisation and if managed well, will have a dynamic impact on the bottom line. Today’s recessionary business environment with its increasing levels of job losses, fear among workers, globalisation, rising expectations on executives and scarcity of top talent (talent gap) has led organisations to count on managers to support them in identifying and developing employees who are flexible enough to find their way and lead others in the increasing complex environment. Within this context the main purpose of this study is to explore talent management policies and implications of companies by using a qualitative research methodology, semi-structured interview technique. It has been searched specifically the implications for PR specialists who may have a critical impact on the development of a corporate reputation of the firm. 4 companies leading in their sectors were searched and the interview results were compared by using content analysis. Results were discussed in the discussion part and quantitative research models proposed for future researchs.

Keywords: Human Resources Management, Talent, Talent Management, Public Relations Employees, Qualitative Research

1. Introduction

One of the biggest challenges of companies today, all over the world is building and sustaining a strong talent pipeline. Not only do businesses need to adjust to shifting demographics and workforce preferences, but they must also build new capabilities and revitalize their organizations—all while investing new technologies, globalizing their operations and contending with new competitors.(SİX PRİNCİPLESTAN) Having a cost effective and focused talent management strategy is critical for every organization’s success. The talent pool and the development of talent among the entire workforce will determine the future for most businesses. Organizations needs to employ a range of initiatives to ensure talent is recruited and nurtured among all staff with the business. Both employees and management need to work together in areas such as performance management, career development, training and upskilling, with line management playing a critical role in identifying and agreeing developmental opportunities for staff in their areas (talent management)

There are different approaches for talent management applications of the organizations. Some organizations select an elite group of high performers and potentials and they only focus on the “stars” of the business. However, another view is that, organizations take a more inclusive view of those that have talent with the business, focusing on developing the capabilities, strengths, knowledge, skill and abilities of a broader range of people. The basic believe in that approach is managing the talent inclusively. Either selective or inclusive, talent management is an area that is growing in popularity and different organizations may have different strategies to select, develop and keep their talents. Talent at all levels of the business is critical to the organisation and if managed well, will have a dynamic impact on the bottom line. Eventough the positive obvious affect of talent management on organizational performance is clear, researchs show that organizations didn’t have systematic and strategic approach to talent management. This brings the necessity of academic and sectoral researchs to fill the gap and with that purpose this study tries to identify the awareness level and implications of the companies in Turkey about talent management.
Talent is about a person’s personality, skills, motivation, as well as their potential to grow. The starting point in talent management is that an employee has the potential to add value to the organization and the manager expects to wants to ensure this happens. Talent management centers around developing processes that provide a continuous source of talented people starting with the recruitment of the right people, mapping their training and development pathway within the organization and ensuring career growth and promotion opportunities are offered at the right stages in this plan. The role of the front line manager is critical to success in this area as the direct manager of each person is the one who knows their strengths and areas of potential better than any other. Recognising talent traits and praising people for showing them are critical skills for a line manager to develop. Line managers need to see behaviours that set the really talented people apart from others. Increasingly, organizations are recognising the need and value of the developing the talent of those working within the business. A range of formal and informal identification methods can be used within the more strategic organizations investing in planning and systematic talent identification processes.

After explaining generally the importance and contribution of talent management for the companies, this research specifically aims two things. At first, generally describe and define the talent management applications of companies and secondly as the name of the article indicates concentrate on PR specialists, their competencies and the positioning of PR workers in talent management process. There are some reasons to concentrate on PR specialists in the research. Today in the globalised markets, the importance of public relations for corporations has been realized in the last decades. “Public relation is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an organization and its publics; involves the management of problem or issues; helps management to keep informed on and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest; helps management keep abreast of and effectively utilize change, serving as an early warning system to help anticipate trends; and uses research and sound and ethical communication techniques as its principal tool." (Hutton, 1999, 200-201). Public Relations activities of the companies provide important contributions to the development of corporate reputation and image of the company, which brings internal & external customer loyalty, forming a loyal community, blocking market entrance of competitors, strengthening the competitive advantage, being in a good cooperation with government and law makers. All of these image increasing activities provide loyal customers which means profit maximization. From the perspective of business management, public relations applications has a direct impact on companies’ sales performance (increasing level of companies’ services and products); financial performance (investments & rapidness of cash flow); human resources management functions and policies (recruitment of most talented employees and candidates, working with a high qualified staff with relatively low amount of salaries and decreasing labor costs; increase in internal (employee) and external customer satisfaction as a result of the high performance levels of the qualified, talented employees); strategic decision making, crisis management (i.e. taking support from internal and external stakeholders during crisis period creating a powerful synergy), and having influence on even governmental policies and law agents. All of these advantages decreases the total costs of the company by increasing total productivity, effectiveness and efficiency which brings higher profit maximization.

Together with the increasing importance of PR for the companies, the need for talented and highly qualified PR specialists and employees also increases for the sectors. Knowledge, skills and abilities demanded from the companies for PR specialists and workers also started to change. Increasing level of the intellectual capacity of the communities also brings about some changes in PR specialist’s job descriptions and job specifications. At the same time because of the contribution to the company productivity and profit maximization PR specialists are one of the key dimensions of human capital of the companies. This intellectual capital and resource has to be carefully managed and keep in safe by applying right human resources management policies. All of these demands need a specific talent management policy which is going to be implied for PR employees to increase their performance, potential, satisfaction and loyalty to their companies who are the key strategic human asset in creating company image. The aim is to establish an environment for the employees to develop themselves and their careers and adopt themselves to the institution. Talent management is of considerable importance in increasing the performance of the institution and the employees. The dimensions in defining talent management are “trust to the institution”, “perception of self-efficacy”, “institutional support”, “job satisfaction” and “competence”. Previous studies proved the impact of these dimensions on employee performance, satisfaction and commitment to the companies.

Within the context of this basic aim, research questions of the study are: whether companies are using talent management policies? Do they aware of the importance of talent management? How do they define a talent and which approach are they using to select, to develop and to keep their talents? Whether they are using a stars approach by only focusing on high flyers or do they have a more inclusive approach? How they are determining their talent pools? Are they selecting and recruiting talents outside of the company or applying a more inner developmental approach? If so what are their strategies to develop their talents, which training and development activities are they handling? How they are
maintaining their talented employee’s loyalty, commitment and engagement to the company? For example are they using coaching and mentoring programs? Which specific reward systems they are using (compensation, salary policies) for talents? What should be the role and function of top level and other level managers as well as HR departments in deploying such a talent management program in an organization? What is the impact of talent management programs in developing employee motivation and performance and organizational performance at the same time? What are the critical points that has to be taken into consideration in applying such a system to increase effectiveness and efficiency of the talent management program?

2. Method

2.1 Sampling & Procedure:

**Sampling & Procedure:** By using a *descriptive research methodology*, talent management policies of human resources management departments were analyzed by using *semi-structured interview methods*. And after that, a *content analysis* were made for the data collected from the interviews. Job descriptions and job specification models (knowledge, skills and abilities KSA’s), motivation policies, institutional support, performance appraisal systems, employee recognition programs, career development policies, training and development strategies were all asked with in-depth interviews. There are 17 open-ended questions, first 16 questions aimed to gather information about attracting and selecting talents to the company, development of talents in the company and keeping talents and providing their loyalty to the company. In the last and 17th question PR specialists position in the above specified areas were asked.

4 company from different sectors -which are also the leading companies in their sectors- were visited. Interviews were done with the specialists and managers working in either Human Resources Management departments or Talent Management Departments. The sectors are “finance&banking”, “logistics”, “consulting” and “telecommunication”.

3. Results

In this part, semi-structured interview notes has been shared by giving examples from the important applications of the companies one by one and the results are summarized briefly in **Table 1**.

**Table 1. Analysis of the Talent Management Policies of Companies Searched**

<table>
<thead>
<tr>
<th>Basic Policies And Implications</th>
<th>Acquisition &amp; Attraction of Talents</th>
<th>Development of Talents</th>
<th>Keeping Talents &amp; Providing Loyalty</th>
<th>Position of PR specialists in the talent pool</th>
<th>Important things to increase the success of the applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company 1. Sector: Finance &amp; Banking</td>
<td>Employer Branding Programs, Hero Club Programs for newly graduates, Assessment Centers, Performance Appraisal</td>
<td>Home-Grown talent programs, External and Internal MBA opportunities in prestigious universities, Internal mentorship, expatriate management programs</td>
<td>Training &amp; Development Programs, any other policy</td>
<td>Not enough</td>
<td>Integrity, Ethics, Perception of justice</td>
</tr>
<tr>
<td>Company 2. Sector: Consultancy</td>
<td>Performance Appraisal System, Assessment Centers (in-basket technique and panel interviews)</td>
<td>Mentoring</td>
<td>Employee Recognition Programs, Advice Reward Systems, Extra payments for high fliers</td>
<td>PR has to be included in the system, internal and external communication channels has to be kept open to create a corporate image</td>
<td>Trust in supervisor, employees, perception of justice, top management’s support and belief of the system.</td>
</tr>
<tr>
<td>Company 3.</td>
<td>Management by Expatriate</td>
<td>Providing employees’ rights</td>
<td>Has to be</td>
<td>Justice perceptions</td>
<td></td>
</tr>
<tr>
<td>Sector: Logistics &amp; a MNCs</td>
<td>Objectives (MBO), Vertical and Horizontal Performance Appraisal System</td>
<td>management, Academy for Young Talents in Vienna</td>
<td>career expectations, well established career programs, cross functional mobility opportunities, career opportunities in abroad, Advice Reward Systems, Rewarding best advices with a bonus payment and Employee Recognition Programs</td>
<td>developed and trust of the employees to the company and their managers, perceived support and perceived value given by the company</td>
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<tr>
<td>Company 4. Telecommunication</td>
<td>Competency based performance appraisal system, Asessment Centers, Employer Branding Programs, Young Talent and “wanted” programs, direct dialogue with university clubs</td>
<td>Mentorship programs will start next year</td>
<td>Development programs &amp; determination of high potentials are in the agenda of next year</td>
<td>Well structured and organized PR department, the number of PR specialists in talent pool is good enough</td>
<td>Openness, Justice</td>
</tr>
</tbody>
</table>

First company analysed in the study in terms of talent management applications is one of the oldest and leading companies in Banking&Finance sector in Turkey. It was founded during 1940’s and it has nearly 17,000 employees. There is a seperate Talent Management Department within the organization chart reporting to HR director. The establishment of the department goes back to 3 years before. The interview was made with a talent management specialist and according to her definition “Talent management is a process of transforming business strategies to the real performance”.

In the determination of talents, Goleman’s emotional intelligence, learning ability (openness to experience) and leadership (self-leadership, change leadership, task leadership etc.) are basic criterias to determine and select high potential. Performance level of the employees is the key in determining talents. The basic question is that whether this high performer can maintain the expected performance level for an higher position? They are including high performers to their talent pool even though they aren’t high potentials. So “high performance is a must and priority to be included in the talent pool”. This means that they are applying an inclusive talent management strategy for their companies at different levels. This levels are “young talent programs”, “management trainee programs”, “talent management review” and “executive development planning”. Within this context a well established “performance appraisal system” is the basic analysis providing basic inputs for talent management and it is “the skeleton of the system”. They are making asessment center applications (a method using various appraisal systems in assessing the performance including group-panel interviews, in basket methodology, personality inventories, simulations, role play techniques etc..) in determining the high performers. In the company “home-grown talent” philosophy prevails. The rate of the talents promoted to higher positions is %8,5 after the establishment of a talent management department (within 3 years).

There are also cross-positionings for the talents according to their KSA’s (knowledge, skill and abilities) and career expectancies. For example a talent may change his/her department from credits to sales.

The company is also utilizing “employer branding” and “hero club” applications to attract young talents and new graduates to the company. “There is a long term internship program for the new graduates and they can continue if they like to stay”.

To develop talents, they are using internal mentors, they are sending their talents to national prestigious MBA programs and even abroad MBA programs. There is an ongoing expatriate management system at the same time. High potentials may go abroad for a 9 month period to be in part of international projects and after they come back they may start in an upper level.

Internal mentors have been determining voluntary based and there are 40 high level mentors in the company. They are making mentorship for one level lower positions.

Lastly, integrity, ethics and perception of justice is the important factors for the successfull application of the system. There is no a specific system to determine PR talents in the company and the number of PR specialists is very low comparingly to other departments.

Second company is an “human resources management consultancy firm” giving consultancy services to different sectors since 2004. The company gives consultancy services to the companies in different sectors such as IT, finance,
social media, energy, fast consuming products etc... The interview was conducted one of the firm partners. According to her definition, “talent management is a process determining high performance & high potential employees and developing their knowledge, skills and abilities to fulfill the performance criterias in upper positions”, “company strategies is the starting point in this process, whether the company is going to apply a resizing strategy (downsizing, getting bigger, opening new locations in other parts of the country etc..), do the company have the necesssary human resource to satisfy this strategic demands in the near future, whether the higher positions has to be filled from outside or inside of the company?, what is the urgency to fulfill new positions? Is it possible to develop candidates inside of the company or not?”. The partner stated that: “As a basic policy filling the positions inside of the company should be the key one, but sometimes companies can make selection&recruitment for the potential talents outside of the company” and she gave sample applications for the determination of talents from one of the biggest companies in Turkey, a leading cementery company: “It has been reliazed that there are no current talents to fulfill critical positions within the company and a project sample applications for the determination of talents was taken from employees according to departmental or company goals. The best practices were choosen and rewarded from CEO”. “Some companies may also use an extra payment system for high potentials. For example they are paying 5 to 10 % more payment for high potentials. Lastly, for the effective application of the system, “trust in supervisor, employees’ perception of justice, top management’s support and beleif of the system” were stated as the critical points. The interviewee also stated that “reward system should include every employee in the organization not only “stars” or “high fliers” and employees should also participate to the desicion making like determination of personal and departmental goals etc... managers also has to keep open internal vertical and horizontal information channels”.

Likewise the first interview result, “performance appraisal system” was stated as the key for giving all of the answers to these needs. As the second interviewee stated “there are various applications to keep talented employees and maintain their loyalty to the company”. “Mentoring programs and rewarding systems were some of them, mentoring is a special one because there is one-to-one direct relationship with the mentor and this direct support creates high feeling of value and creates loyalty. Mentoring applications is highly recognized and needed by young talents”. Another applications are employee recognition programs, for example “advice reward systems”. “Advices and new ideas were taken from employees according to departmental or company goals. The best practices were choosen and rewarded which entails creativity and provides value for the company. This rewards may be a bonus payment or a regognition letter from CEO”. “Some companies may also use an extra payment system for high potentials. For example they are paying 5 to 10 % more payment for high potentials. Lastly, for the effective application of the system, “trust in supervisor, employees’ perception of justice, top management’s support and beleif of the system” were stated as the critical points. The interviewee also stated that “reward system should include every employee in the organization not only “stars” or “high fliers” and employees should also participate to the desicion making like determination of personal and departmental goals etc... managers also has to keep open internal vertical and horizontal information channels”.

Third company, a leading MNC in the logistic sector. The interview was conducted with HR manager and also Middle East HR coordinator of the company. Talent management applications are under the responsibility of human resources management department and TM applications are all integrated in HRM systems. She defines talent as “a person who does something better than the others with the same resources; if someone has the same knowledge, skills, abilities and competencies but shows a better performance than the others this is a talent”. The basic strategy is the determination of talents within the company. Critical positions are determined according to strategic and financial criterias. Through ERP modules, if a new position is opened, first an internal memo is given to employees in the company, this article stays open 15 days, if no application is taken, outside candidates are searched. Interal recruitment is the global firm strategy and it is also applied in Turkey. Management by objectives (MBO) and Performance appraisal system is the key and backbone in the determination of talents. Each employee from desk office to blue collars are included in the system. Each year, 4 quantitative and a 1 qualitative target is given each employee. Performance is appraised according to these targets. For the attraction of talents, “corporate reputation and perception is quite important especially for Y generation”. Employer branding applications, social responsibility programs and perception of people about how the company behave its employees are all important factors in determining the attraction of new talents to the company. Eventough there is a marketing communication specialist working and giving reports to sales& marketing manager, all of this activities are also the responsibility of HR department. PR and HRM work and behave in coordination. HR manager states that “we are a global multinational company, therefore there is a good image in the labor markets to attract talented people, this is an advantage in Turkey conditions. Each employee and talent in our company know that
he/she has good career opportunities both in Turkey and abroad in the global level. Employee’s career expectations are also taken into consideration and expatriate management also facilitates the chance of making career in the global. For example, a financial specialist went to France as an expat to finance management department, stayed there for 3 years and after that he started his career in Turkey as CFO (promoted to an upper level). Another talent went to France for the same position and he stayed in French company and went on his career there accordingly to his career expectations, or an employee who worked in operations during 5 years may be transferred to sales department if he/she has such a skill. These examples clearly show us the availability of vertical and horizontal and cross functional passages (functional mobility-between departments) in the native company and the global, and our talents also aware of these compensation options. We have also an academy for our young talents in Vienna to develop their skills, knowledge and abilities to promote to an upper position and show the same level of performance in this upper position at the same time. All of these talent development programs also increases the loyalty, increases motivation and organizational commitment level of the talented employees”. There are also reward and compensation policies applied to keep talented employees. For example “advice reward systems” is one of them. As HR manager stated: “In 2012, one of our employee’s advise to decrease operational costs was chosen the very best advice of the year in the global company, he has taken a good amount of bonus payment and a recognition letter from the CEO of the multinational. This also increases performance and motivation level in the company and plays a role modelling function for the other employees.” Tenure and experience is also rewarded, for example a recognition certificate is given to the employees who finish 5th year, and recognition plackets are also given to the employees who finishes 10 th year in the company. All of these programs increases employee loyalty and keeps turnover rates low. This company has the lowest turnover rate comparing to the other companies in the logistics sector in Turkey. As a last point, likewise the other views, justice perceptions and trust of the employees to the company and their managers, perceived support and perceived value given by the company are the critical factors that affect the successful and effective application of talent management systems.

Fourth company, give services in telecommunication sector, one of the leaders in the sector, which has 23,000 employees, 8,000 of them are blue collar workers. There is a seperate talent management department which gives report to HR director, composing of 40 employees. The interview was realized with one of the talent management specialists currently responsible from the establishment of talent management system and also a young talent from PR department participated and asesseed the employee perception of talent management applications in the company. Talented PR specialists states her satisfaction about the talent management system and her wishes to continue in the company since it is offering a good career opportunity for her. In this company, they have been applying talent management program since 2 years. Up to now, talents of the company were determined and a talent pool were created. In the coming year, they are planning to determine high potentials and systematically apply talent development programs. They determined their talents via performance appraisal systems, 360 competency appraisal system and assessment center applications. For the acquisition of new talents they are applying employer branding programs and the program named “wanted” was one of them. New graduated young people are accepted to the program which is going to last 12 days. Candidates are participating to the lectures and courses about management and managerial functions, successful managers from different sectors also give seminars to the young talent candidates. After that period, they know the company and its strategies, career opportunities, they develop a good perception of corporate image, etc...After that period candidates are passed through a general ability exam and assessment center applications (a multi method assessment- panel interviews, role plays, simulations, personality tests, in-basket techniques etc...) . At the end new talents which fits well to the organizational culture were determined and job offers were made. As another point, in the company percentage of employees who are promoted to upper levels is 75% which means that they give importance to development of own talents and company loyalty. In the upcoming year they are planning to apply internal mentorship programs for high potentials. Employee motivation is one of the important criterias in the assessment of managerial performance and 360 performance appraisal systems have been using as a basic output for reward, payment and compensation system. They are also giving extra bonus payments to high performers and applying project based rewarding. Openness and justice are the key policies in rewarding. Lastly, they have a big amount of PR workers and a more structured PR department composing of media relations, corporate social responsibility, corporate reputation etc.. All of the PR functions are applied systematically comparing to other companies interviewed. They give a special importance to PR specialists since effective PR is also contributes to the development of corporate reputation in turn acquisition new talents. This gives a concrete result because the company is perceived as the most valuable brand and a highly reputed one, in the market researchers it keeps its position in the first 3.
4. Discussion

The main goal of all of the business firms is to provide profit maximization by increasing efficiency and effectiveness. In the management and organization studies literature, from the very beginning of classical period to the post modern times different organizational structures and the best structure to increase productivity has been searched. Today, it is a well accepted truth that organizations not only composed of structures or organizational schemas but there is lively mechanism i.e. an organizational dynamic. Organizations are first of all composed of humans and the interaction of people (interpersonal relationships -such as between supervisor and employee, between workplace friends- as well as intra group and inter group relationships and dynamics). So in this lively dynamic, the human resource and its well management creates the key for successful and effective organizations. Eventough this discussion may be another paper’s subject, the idea is that, every organization and business company today are aware or at least they have to be aware of the vital necessity to select and attract the best human resource, develop this resource to increase their potential and performance and to keep talented ones and high performers to maintain organizational stability. So “talent management” has such a philosophy based on the good and effective management of human resources. It is also the most developed form of human resources management and strategic HRM applications. It is obvious that if it is applied effectively, it has direct results on employee motivation, satisfaction, commitment and overall organizational performance. So talent management is the backbone of successful management of this human potential.

Therefore, the basic aim of this article was to search talent management applications of companies and their awareness level and specific applications to attract, develop and keep their talents. Eventough this is a qualitative research and a starting point for further researches, there are common points that we may discuss here. First of all, corporate companies and leading companies in their sectors in Turkey are aware of the strategic importance of talent management and they are applying talent management as an integrated policy to their human resources management functions. Multinational companies are the luckiest ones because they are basically adopting global talent management strategies and applying them to the local whereas other big firms has been established their own systems within the last 2-3 years and they started up the implications newly. Of course this qualitative analysis only give some samples and done with a case study format, so to analyze the impact of talent management’s direct impact on some organizational behaviour variables like performance, motivation, employee satisfaction, organizational commitment, work engagement and even external customers, in the future we need empirical researches. All of the companies stated the importance of organizational justice, fairness, trust in supervisor and trust in top management so all of these OB variables may be used as moderators in the upcoming research models between talent management applications and the proposed dependent variables below. At the same time as a longitudinal study, the results of talent management applications in the same companies may be measured in the long run to empirically prove the impact on performance and bottom line results. Futhermore, one of the important results of this study is that, public relations and human resources management departments have to work in coordination especially in the matter of attracting talented employees to the company. In Turkey, the basic accepted view is still that PR and HRM are supporting functions for the organizations, but it is obvious that they are the backbone of all organizational system since they keep internal and external customer satisfaction, i.e. the most important determinants of organizational profit. Corporate image and reputation is the most important factor in attracting talented employees to the organization and it is the basic responsability of effective PR. Organizations has to be aware of the critical functions (both PR and HRM) in survival of the companies in this harsh competitive environment.

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From an Erotic Couple to the Reference of Post Communist Tyranny and the Politics in Balkan: The Accident; Ismail Kadare

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Abstract

The suspicion and mystery of an erotic couple, whose taxi overturns on their way to the airport killing them both and the other disturbing questions about this tragic event go deeply to dark nightmarish allegory and reference of post communist tyranny and the politics in Balkan-which is the aim of this analyze. It seems that this roman makes sense on a historical plane and interpretation is linked with political, ideological and social aspect of the actuality. Thus, sometimes associated with Russian formalism, we are operating somewhere between it and structural and constructivist approach to discourse. Emphasizing historical, cultural and social specificity in this text, we are operating especially with Bakhtin's theory. Besfort Y, was employed by the Council of Europe as an analyst on Balkan affairs, so were their deaths – an accident or a double murder? Perhaps a suicide pact? The investigations involve both Serbian and Albanian intelligence (as Besfort may have been implicated in the decision to bomb Serbia and was preparing a secret mission to The Hague dealing with war crimes. He had also made remarks about Israel.) Rovena is always tempted like Balkan, and like Balkan she is always in the midst of fog; also like her country, Albania which had came out from a communist tyranny, she loved and longed for freedom, but who can evaluate or know what freedom is after a slavery? Besfort is seductive like Europe, pale like the race of murderers– he behaves like a dictator, - so it’s an allegory of dictature in Hoxha regime that goes beyond this with larger significance.

Keywords: reference, allegory, erotic, politics

Eros-the consent to life in the bosom of death! How can we not evoke Georges Bataille, while talking about Eros and Thanatos and as the eroticism is said to be in essence the domain of violence and murder, execution. The Accident should not be read only through its text, but also through its context. When Rovena with her disordered passion turns out to be enigmatic and Besfort as well, the politics of the Balkans turns out to be enigmatic too! Violence, passion and disorder can only put so strange things in the game! Slavishly in thrall to Besfort with her feverish and dark beauty, she hates this dependence but she is fatally addicted to it in the same time. We never know what this violence is, what unnamed longing and desire is associated with it! There are not promises and hopes of future happiness. Their passion is suffering. Also the accident in their taxi finds no rational explanation. It remains unexplained even in the last pages of the novel.

The dialogic nature of consciousness is the dialogic nature of human life itself. The single adequate form for verbally expressing authentic human existence is the open-ended dialogue. Life by its very nature is dialogic. To live means to participate in dialogue: to ask questions, to heed, to respond, to agree, and so forth. In this dialogue a person participates wholly and throughout his whole life: with his eyes, lips, hands, soul, spirit, with his whole body and deeds. He invests his entire self in discourse, and this discourse enters into the dialogic fabric of human life, into the world symposium” (Bakhtin,1984, p.293).

Actually, the fog of this erotic couple and the slavish dependence of Rovena reveal the slavish independence of Albania to other countries; their mist atmosphere and their crises reveals the mist of Balkans and the crisis that enveloped in the Balkans in the 1990s. It is also with Hoxha tyranny that the allegory deals-and with his enslaved people.
While at the same time punitively rebellious, Rovena suffers so much in her desperation, there is again a reference to our nation's agony under the wonky totalitarianism of Enver Hoxha, and then, to the unnamed shock of post-totalitarianism. We can see that the author's intention is always there, visible and invisible— in both forms.

Two extreme polemical positions on interpretation, intentionalist and unintentionalist, can be opposed to each other as they are in the controversial poles between Barthes and Picard's: (Compagnon, 2004, p. 54)

1. It is necessary and sufficient to look in the text what the author meant to say, "his clear and lucid intention," as Picard said; that is the only criterion for the validity of the interpretation.
2. One never finds in the text anything but what it is telling (us), independently of its author's intentions, there are no criteria for the validity of interpretation.

Compagnon would like to try to extricate himself from the trap of the absurd alternate between objectivism and subjectivism, or between determinism and relativism, and to show that intention is indeed the only conceivable criterion for the validity of interpretation, but it is not the same as "clear and lucid" premeditation. So the alternatives above could be rewritten as follows:

1. we can search in the text for what it says with reference to its own context of origin (linguistic, historical and cultural)
2. we can search in the text for what it says with reference to the contemporary context of the readers.

These two theses are no longer not mutually exclusive, but on the contrary, complementary, they lead us to a form of the hermeneutic circle linking pre-comprehension and comprehension and postulate that if one cannot be wholly penetrated, he can at least be somewhat understand. (Compagnon, 2004, p. 55)

Between the two, however, testimonies of intention and the evidence of the text other information is situated between the text and the context, such as the language of the text, the meaning of words for an author and his contemporaries. (Compagnon, 2004, p 56)

This erotic story of this novel is situated in the background of protests Albanian Serbian children died under the bombardment of Americans—the identification of the meaning, the literary interpretation is linked here with the intention of the author: if meaning is intentional, objective, historical, there is no more need for the theory of the death of the author (the thesis of the death of the author is known).

Other links: Balkan is tempting, misty, confused as Rovena/Euridice. Besfort is attractive, dominant, hard, handsome as the killers are, but overpowering like Europe. In these common attributes and in the harsh allusions to sex there is a similarity, an analogy.

In Graz, Rovena felt for the first time “the chains” of Besfort. But she considered herself a slave. She thought he loved her entirely for themselves, as any tyrant. As Kadare writes, "but this is not the first time in history that a savior was taken to a tyrant, tyranny taken as liberator"—and here the reference is explicit and evident. You cannot understand where the game ends and where the revenge start until they agree again to put other elements in game and they start talking to each other as client and motels girl.

There is a complaint that she not free and then a complaint that she has too much freedom. Besfort is the new freedom of which Rovena is addictive, as the new freedom that came in Albania after totalitarian regime. We can see in politics as in an erotic couple, freedom, slavery and addiction are so close to each other as can easily be confused.

So these are the attractions, addictions, madness of the new post-communist tyranny with its roots to the former tyranny: the communist one. From it, they derive.

The couple met while experiencing freedom that was inconceivable at the time of communism. (The diplomatic trips of Besfort during which they experienced freedom without knowing what the immediate freedom is, are perhaps the itinerary of a "spy"). So they and their love affair are moving in both systems.

The confusion is especially born because totalitarianism will always fail to deal with some non-ideological private things, as sex or erotic libido—but on the other side Eros can not attain perfection without violation. What is especially needed to revolutionize in communism is sex and the beauty! But this is against their program. Can anybody or anything make a resistance like that? Who can prevent himself without consequences from erotic libido? Thus, Rovena and Besfort relation is contaminated by ideology and politics of communism, or better to say, much more by its results, and is also now trapped in the joints of capitalism even the appearance of their bodies, submissive and dominate, is thus determined.

Besfort tells Rovena of when he was only 13 years old, at the end of the dictatorship, a kind of madness that had appeared under Hoxha. He describes a world which citizens (each of them more miserable than the other) would claim that they are conspirators, in order to show love for the leader, being punished for crimes they did not do.

No one could distinguish truth from fiction regarding these reports, as it was impossible excelled what was the purpose of the conspirators, or its leader. Sometimes it was easy to read the mind of the leader. He had enslaved nation...
and now all conspirators will worship his crowning triumph. Some people say that he was fed up with the love of faithful followers and wanted something new and seemingly impossible—“love traitors”.

Besfort is thus, a victim of totalitarianism, which he despises, he can not escape his deformities, heritage, memories, hysteria—that how dictatorship has affected him.

But even a melancholy thought appears in the background. Kadare with the fall of communism, discovers that the fallen world within everybody, in their crisis and their obsessions, in the destructive consequences that communism has left.

Besfort becomes Orpheus and Rovena Eurydice. Substitution by substitution, we come to the significance of a past and present. The selection of several mythical elements provides the diving of the story in a mythical atmosphere:

The sign as we know, has the capacity to expand or change the concepts.

The sign pushes away the time and here we are face to face with the thing, in the ideological and emotional heart of the phenomenon.

The meaning of all this intimacy and death insists over and over that Orpheus will always be dead within Eurydice - (as Rilke suggests in Sonnet for Orpheus). Is this a novel human practice in favor of death? What has really happened? Why do we never learn the truth? And how can we approach the truth?

But… the fact that the intelligence is not the most subtle, powerful, appropriate, instrument for grasping the truth. The truth is only one more reason in favor of starting with the intelligence rather than with intuitions of the unconscious or with unquestioning faith in our premonitions. It is life which, little by little, case by case, allows us to realize that what is most important for our heart, or to our minds, is taught not by reasoning but by other powers. And it is the intelligence itself, which recognizing other superiority, uses its reasoning in order to abdicate in their favor and accepts the role of collaborator and servant. (Proust, 1989, p.7)

There is actually a multiplicity of strategies to approach the truth in “The accident”, through which we can maximize the number and diversity of meanings, meanings possible...

The author seeks to provide a analysis of the unknown, of the incomprehensive, an analysis which is unusual for comprehensibility, itself. It never finally speaks the last word.

(Literature) … reminds us that reading is, or may be an act of creation. What happens when we read literature is that the author knows and what we know form, in combination, something new, a third quantity, which we may or may not want to call knowledge. This new quantity is born in the moment of reading itself, as does Martha Nussbaum, in Love’s Knowledge says “love can crystallize in a moment of perception.” (Nussbaum, 1992, p. 267), “love is not a structure in the heart waiting to be discovered”. There are things waiting to be discovered in a novel or poem, or play and with luck we shall discover them. Similarly we bring our affective and intellectual lives to the act of reading any text we care about. But the meeting produces something else again, or does literature’s best moments. (Wood, 2005, p.153)

This text is a meeting of cultural values and social and poetic meaning-from which-derived so painful allegories.

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Strategic Technology Management In Business: An Application In Automotive Industry

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Abstract

In this text, the level of the use of technology in the means of technological management and the relationship between technological management and the department that is responsible for this management activity shall be examined in a strategical point of view. In this respect, some inputs about the subject of this research had been obtained from automotive supply industry businesses by using the member database of TAYSAD. These inputs had been encoded one by one and then installed to SPSS program, which is used commonly for statistical evaluation of the research results. Thereafter, some charts had been created according to these hypothesis and the results in these charts had been analyzed and interpreted. After these evaluations, the meaningful relation between the level of the use of technology and strategical management of technology emerged. Besides, it is established that the level of the use of strategical technology management differs from business to business depending on departments that are responsible for management of technology. As a result, it is important to have managers who are in the strategical level and who have a background of technology education, for the use and management of technology for successfully integration of the process of strategical management and technology management.

Keywords: Management of Technology, Strategical Management of Technology

1. Introduction

Nowadays, being in control of technology also means being in control of competitive superiority. Putting New products on market has gained more importance than renovation of traditional products, since there is no more huge differences between research powers of giant firms. Thus, technology is increasing its importance gradually on being a strategical determinant factor (Esin, 1992).

As a result, management of technology is becoming as crucial as financial management or human resources management. Accepting technology as a functional talent requires developing strategies such the ones for finance and human resources.

While setting a strategy for technology, engaged questions such as choosing technological area to have an investment, the competition degree of technology, budget for development of technology, technology timing for New products and services, organizations for technological practice and development shall be answered (Bulgerman and Rosenbloom, 1998).

In this regard, management of technology is the integration and practice of work strategies and technology strategies.

In this case, management of technology should be the responsibility of the managers who are in strategical level and these managers should achieve the integration of business strategies and technology strategies while fulfilling their duty. This integration is named as Strategical Management of Technology within this text.

2. Strategical Management of Technology

Management of technology has started being popular after mid 1980s. It was under the influence of engineering based sciences in the first years. R&D management happens to be the basis of this New area as the previous controller (Chanaron,Jolly, 1999). Later on (1987), National Research Council (NRC) brought forward the view that management of
technology should be accepted as the common point of two scientific disciplines which used to be accepted as irrelevant concepts. These two disciplines are stated as; management talents and technical talents. This view is based on the idea that some management methods are needed to manage technological assets (NRC, 1987).

After that, Dankbaar has brought new meanings to management of technology. According to him, all technological harmony and orientation and R&D and technology acquisition should be aimed at in a business’ management activities and these Technologies should be used for manufacturing New products and services (Dankbaar, 1993).

Badawy’s management of technology definition, integration and practice of work strategies and technology strategies (Badawy, 1998), has contributed to expanding of the traditional definitions. Badawy states that such integration is essential when the coordination of R&D, manufacturing and other activities are taken into consideration.

However, approaches on technology management express the need for a systematic management of technology from a strategical and operational perspective lately (Linn and others, 2000). In this respect, management of technology is a process that includes developing technological talents, planning the practice, canalizing, controlling and coordinating to shape and carry out the strategic and operational purposes of a business.

Today, an area including manufacturing process technologies, process, tools and techniques for New production developments, marketing techniques, management of R&D activities, management of innovation, international trade politics, intellectual property rights, industrial design, transfer of technology, management of information Technologies, internet strategy, environment and sustainable manufacturing and entrepreneurship should be focused on New product developing process on a corporate level, grounding on process of strategical management. This makes the integration of competition strategies and technology strategies obligatory. Total management understanding for this integration is named as Strategical Management of Technology.

2.1 Process of Strategical Management of Technology

Gregory has defined the process of strategical management of technology as a process that includes identification, selection, acquisition, operation and protection of technology (Gregory, 1995). Then, Ozgur (1999), Yuksel (2000) and Yildirim, Oner, Basoglu (2001) have added release (termination) step to this process (Oner and others, 2005).

**Technology identification** includes Technologies that companies do not possess at present but that can help companies for their development in the future.

**Technology selection** is determining which technology should the company support from among alternative Technologies. The decision has a big importance since it will identify the technology that will be invested on.

**Technology transfer or acquisition** means the strategies of technology acquisition from inside, outside or both.

**Technology operation** means using the technology that is acquired by developing or by purchase for own production and manufacturing process generally in order to have competition advantages. Company has acquired this technology for his specific purpose already. However, company may generate an income by sharing its Technologies with other companies.

**Technology protection** has arisen from necessity of protection of property rights and trading advantages of companies. It also means taking measures to protect database and property rights of companies and to prevent third parties from using companies’ technologies. Generally, the most common measures to be taken are registration of patent / petty patent and design.

**Termination of technology** focuses on gaining New Technologies on time and reacting technological changes on time.

3. Methodology

3.1 Method of Research and Sample

In this research, cross sectionally, the data collection method that is based on transmitting Standard questionnaire form to sample group has been used because of the following reasons;

- Generalization of research results,
- Utilization from a huge sample group,
- Data collection about a scale of factors,
- Directing the same question group to every single answerer,
- Obtaining more sufficient statistics for analysis.
While preparing the questions for the questionnaire form that is prepared in accordance with the research purposes, relevant literature and previous works about the subject have been taken into consideration.

Addresses and mailing information of the companies that are subject to this research were collected by using the member database of TAYSAD. On January, 2009, contacts with these companies were made by phone and the questionnaire forms were sent to their e-mail addresses. Comebacks were examined as of March, 2009; companies which did not make any comebacks were reached by receiving service from pollster companies and on June, 2009, salvational 103 questionnaire forms were collected. This number means a 40% of comeback and this percentage is an acceptable percentage for examining. Questions in the questionnaire were encoded one by one and then installed to SPSS program. Thereafter, some charts were created according to these hypothesis and the results in these charts had been analyzed and interpreted.

3.2 Hypothesis of The Research

- H1. Companies that have a better use of technology also have better practise of strategical management of technology activities.
- H2. There is a relation between the departments that are responsible for management of technology and practice of strategical management of technology activities level.

4. Results of The Research

Statistical analysis of the data obtained as a result of this research shall be explained by charts and figures. These results shall be evaluated whether they are statistically meaningful and shall be examined whether they confirm the hypothesis.

4.1 Introductory Information for Businesses

4.1.1 Size of a Business

While specifying the size of a business, one of the most common quantitative criterias is the number of employees. Hence, the size of a business is specified according to its employees quantity. Business which has employees less than 100 are specified as small, business which has employees between 100-499 are specified as medium and business which has employees more than 500 are specified as big sized business.

When the businesses which took part in the research examined with regard to their employees' number, there are 41 small sized businesses (39,8%), 48 medium sized businesses (46,6%) and 14 big sized businesses (13,6%).

4.1.2 Sector of Manufacturing

When Technologies and raw materials used in businesses work in automotive supply industry are examined, it is seen that they have enough manufacturing facilities not only for their own sector, but also for other sectors. For example, a member of Taysad, Egebant Zimpara Ve Polisaj Malz. San. Ve Tic. A.Ş. is the supplier of businesses which are active in vehicles industry such as Tshima, Mercedes-Benz Türk, Tofaş Fiat, Renault, Karsan, Toyota, Man, Türk Traktör Karsan, Hyundai, Isuzu, Honda, Bmc, Uzel; but it also makes productions for other firms such as Vestel, Indesit, Arçelik, Bsh, Thy, Koçtaş. According to the answers to the question in the questionnaire whether businesses use this facility show that 38 (37%) of the firms which answered this question make production for both automotive sector and other sectors while 65 (63%) of them make productions only for automotive sector.

4.1.3 Capital Structure

While 196 (77,1%) of the members of TAYSAD are domestic invested; 58 (22,9%) of them are foreign invested or have foreign investment partnership. On the other hand, 82 (79,6%) of the firms which attended to this research are domestic invested, 12 (11,7%) of them are foreign invested and 9 (8,7%) of them are foreign investment partnerships. Considering these data, the percentage of foreign invested or foreign investment partnerships that attended to the research is apparently similar to the percentages of capital structures of the firms in sample group. Thus, it is possible to conclude that the firms attended to the questionnaire represent the total of the sample with regards to capital structure.
4.1.4 Manufacturing Method

There are two different segments in automotive supply industry market that manufacturers can supply products. One of them is the original part manufacturer segment, called OEM. The other segment is the method of supplying supply industry parts to the showrooms intended for the customers instead of manufacturers, called Aftermarket.

60 (59.4%) of the companies which attended to the research are making productions for OEM while 15 (14.9%) of them are making productions for Aftermarket. 26 (25.7%) of the companies are making productions for both segments. In this case, 86 (85.1%) of these companies are product suppliers of auto manufacturers and production line.

4.1.5 Quality Certificate Status

These companies were asked for their quality certificates, considering its importance in competition abilities in Turkish automotive supply industry.

2 of these companies stated that they are not intended to obtain any quality certificates. 24 (23.3%) of them have ISO 9001 certificate, 2 (1.9%) of them have ISO 14001 certificate, 35 (34%) of them have both ISO 9001 and ISO 14001 certificates, 19 (18.4%) of them have ISO-TS 16949 certificate and 21 (20.4%) of them have different quality certificates. In this regard, it is possible to state that Turkish automotive supply industry firms are conscious of the importance of quality certificates.

4.1.6 Educational Background of Business Managers

According to the researches, role of executive managers of a business is crucial in developing a successful technology strategy. Firms with a managers who have strong technological background pay more attention to technology while taking strategic decisions. Managers who do not have a strong technological background or who do not pay enough attention to technology face serious problems arising from their communication disorders with their technical team. In this regard, firms which have a use or management of technology should prefer executive managers with background of technological education (Oner and others, 2005).

Majority (73 – 71%) of the managers of the firms that attended to the research have had engineering education. This is a positive fact for automotive supply industry firms that needs to have strong technological platform.

4.2 Practices of Strategical Technology Management of Businesses

Practises of Strategical Technology Management is formed by using the strategies of Industrial Organization Theory and Resource Based Theory together and connecting them with processes of technology management rather than accepting them as alternative choices.

A research has been made in order to understand whether level of technology usage of firms affects the efficiency of strategical technology management activities. (Chart-1)

<table>
<thead>
<tr>
<th>Strategic Technology Management Process Activities</th>
<th>Level of Technology Usage of Firms</th>
<th>Mann-Whitney U Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low (n=53)</td>
<td>High (n=50)</td>
</tr>
<tr>
<td>Total Identification Process</td>
<td>Ort. 3.77</td>
<td>24.66</td>
</tr>
<tr>
<td>Total Selection Process</td>
<td>Ort. 4.92</td>
<td>31.56</td>
</tr>
<tr>
<td>Total Acquisition Process</td>
<td>Ort. 18.77</td>
<td>24.66</td>
</tr>
<tr>
<td>Total Operation Process</td>
<td>Ort. 27.98</td>
<td>31.56</td>
</tr>
<tr>
<td>Total Protection Process</td>
<td>Ort. 15.77</td>
<td>18.06</td>
</tr>
<tr>
<td>Total Termination Process</td>
<td>Ort. 25.72</td>
<td>31.56</td>
</tr>
<tr>
<td>General Total</td>
<td>Ort. 28.32</td>
<td>31.56</td>
</tr>
</tbody>
</table>

* Reliability coefficient of the scale is checked before the General Total. Cronbach alpha value of the scale is 0.96.
According to the results in Chart-1, efficiency of the activities for each step of technology management process is higher in firms in which the level of technology usage is also higher. Results are statistically significant according to Mann Whitney U test. This significance of the results support Hypothesis Number 1: “efficiency of the activities for each step of technology management process is higher in firms in which the level of technology usage is also higher”.

Tschirky (Tschirky, 1997) states that three levels of management play a role in technology management. These are stated as; Normative, Strategical and Operational Levels. Normative Level includes executive decision making bodies. Technology management is not directly subject to normative level but managers in this bodies should have technological education.

In strategical level, business strategies are cut into small purposes. Doing the right things and efficiency comes into prominence in this level. Decisions such as manufacturing Technologies to use within the business or purchasing them fall into this level.

In operational level, strategies are transferred to short-term activities. In this level, fundamental principles are doing the right thing and being productive. Deciding on which personal to choose for a R&D Project or determining a financial resource are two of the examples of the decisions of this level.

Besides, when we have a look at management levels with regards to strategical management, we see management levels as Company (Corporate), Business (Strategic) and functional (Dincer, 1998). Company level means a executive decision making mechanism as a whole in a company that has different businesses and different working groups.

Business level is relevant to the way of competition in a certain branch of industry or product/market department and the activities to be done. This level focuses on resource allocation in business, comparative advantages and synergy since it deals more with competition problems.

Functional level is formed by decisions of functional departments within the business. It is more aimed at increasing productivity of used resources.

We can understand from the explanations that these two classifications made from different angles point at the same management levels. In other words, normative level (company) may be accepted as strategical level (business) and operational level (functional).

The chart (Chart-2) that shows “Relation of Technology Management Process and Top Management” emphasizes that technology management work is mainly a work of strategical level management (Yildirim, 2000).

**Chart 2. Of Technology Management Process and Top Management**

<table>
<thead>
<tr>
<th>TM Process</th>
<th>Activity</th>
<th>Management Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>Selection of information resources</td>
<td>Strategic</td>
</tr>
<tr>
<td>Determination</td>
<td>Combination of information about current and developed Technologies</td>
<td>Strategic</td>
</tr>
<tr>
<td></td>
<td>Analysis of environmental factors on a product, firm, market and national</td>
<td>Strategic</td>
</tr>
<tr>
<td></td>
<td>basis while choosing from different technological alternatives</td>
<td>Strategic</td>
</tr>
<tr>
<td>Technology</td>
<td>Determination of priorities and importance of certain Technologies</td>
<td>Strategic</td>
</tr>
<tr>
<td>Selection</td>
<td>Benefit-cost analysis of alternatives of technology</td>
<td>Strategic</td>
</tr>
<tr>
<td></td>
<td>Evaluation of efficiency of the chosen Technologies by customers,</td>
<td>Strategic</td>
</tr>
<tr>
<td></td>
<td>suppliers, processes and employees</td>
<td>Strategic</td>
</tr>
<tr>
<td>Technology</td>
<td>Determination of resources for technology acquisition</td>
<td>Strategic</td>
</tr>
<tr>
<td>Acquisition</td>
<td>Determination of technology acquisition methods</td>
<td>Strategic</td>
</tr>
<tr>
<td>Technology</td>
<td>Adaptation of acquired Technologies within the organization</td>
<td>Operational</td>
</tr>
<tr>
<td>Operation</td>
<td>Converting technological value into Money</td>
<td>Strategic</td>
</tr>
<tr>
<td></td>
<td>Converting Technologies into tradable products</td>
<td>Operational</td>
</tr>
<tr>
<td>Technology</td>
<td>Determination of protection facilities of patented products'</td>
<td>Strategic</td>
</tr>
<tr>
<td>Protection</td>
<td>characteristics or services</td>
<td></td>
</tr>
</tbody>
</table>

In this respect, possible relation between efficiency of technology management activities and department responsible for technology management in firms has been researched. Results are in Chart-3.
When we examine Chart-3, we understand that efficiency of selection process, acquisition process, operation process and protection process activities are higher in businesses in which activities are made in general directorate level and the results relevant to these options are statistically significant. These results support Hypothesis Number 2: “there is a relation between efficiency of technology management activities and department responsible for technology management”.

5. Conclusion

The role of executive managers of a firm is crucial in developing a successful strategy of technology. Firms which have managers with technological background pays more attention to technology while taking strategic decisions. Managers who do not have a sufficient technological background and who do not take technology seriously have some problems with their technical teams arising from communicational disorders. In this respect, operation of technology and having strategic level managers with technological background in management are very important for successful integration of strategic management of firms and management processes.

References

The Exposure of Albanian Firms to the Exchange Rate Risk and Its Hedging

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Abstract

Foreign exchange is among the most important risks facing most economic agents, whether they are corporations, institutional investors, or households. In recent times, the volatility of these rates has increased substantially and, as a result, agents have a greater need to hedge against these risks. In today’s business environment, firms find it necessary to hedge the exchange rate risk, which has a big impact in their earnings. This risk affects not only firms engaged in international business but even those operating only in their local markets. Albanian businesses face a high rate of exchange rate risk due to strong business relationships with neighbor countries and broader. Hedging this risk is difficult because in a developing country like Albania, currency derivative market does not exist. The nonfunctioning of Tirana stock exchange, the fact that commercial banks still do not offer forward contract widely, and the lack of financial knowledge among businesses’ representatives are among the reasons that makes hedging so difficult in our country. This paper investigates to what extend Albanian businesses face exchange rate risk, and how these businesses hedge it. We have considered a case study from an Albanian firm and found out the ways they protect their earnings from this risk. One concerning finding is that Albanian firms do not hedge financially the exchange rate exposure, even though they have a large degree of exposure. At the end we conclude by developing a framework for currency hedging to be applied from these firms in order to reduce their currency exposure.

1. Introduction

Foreign exchange rate risk is one of the risks that companies are becoming more and more concerned. In nowadays economic environment, where international companies and international trade have expanded like never before, this risk is a real threat to the firm’s income and its value.

Financial institutions have been creating different hedging instruments for the exchange rate risk, and firms have different alternatives to hedge according to the kind of exposure they face. But even firms themselves can follow some strategies to hedge this risk.

Options and futures for major currencies are traded widely on different stock exchanges, but what happens with minor currencies for which there are no options, futures or forwards?

In this paper we review types of exchange rate exposure and also hedging techniques. We will focus mainly on minor currency hedging and illustrate to what extent firms in Albania are exposed and what do these firms do to hedge this risk.

This paper is organized as following: In section II we have made a literature review on what exchange risk is, its types, how to assess it and ways to hedge it. In section III we describe the methodology used and describe the analysis made and the results found. In section IV we give some conclusions and some modest recommendations.

2. Literature review

Exchange rate risk can be broadly defined as the risk that a company’s performance will be affected by exchange rate movements, (Madura 2008). In particular, it is defined as the possible direct loss (as a result of an unhedged exposure) or indirect loss in firm’s cash flows, assets and liabilities, net profit, and in turns its stock market value from exchange rate move (Papaioannou 2006). Financial managers should understand and determined the type of exchange exposure the firm is facing, the hedging strategy to be used and the available instruments.
According to Adler and Dumas (1984), currency risk exposure is to be identified with statistical quantities which summarize the probability that the actual domestic purchasing power of home or foreign currency on a given future date will differ from its originally anticipated value. Exposure, in contrast, should be defined in terms of what one has at risk. In this way, managers should know how to measure it.

Shapiro (1996), Eun & Resnick (2004), Madura (2008), identify three main types of exchange rate exposure:

Economic exposure is defined as the extent to which the value of the firm would be affected by unanticipated changes in exchange rates.

Transaction exposure is defined as the sensitivity of “realized” domestic currency value of the firm’s contractual cash flows denominated in foreign currencies to unexpected exchange rate changes. Translation exposure refers to the potential that the firm’s consolidated financial statements can be affected by changes in exchange rates.

When firms are affected by exchange rate exposure, they should determine what kind of exposure that is, they should assess it, and then decide whether or not to insulate against it. Economic exposure can be measured by using (1) sensitivity analysis and (2) by using a regression analysis (Madura 2008). The first method consists in considering separately how sales and expense categories are affected by various exchange rate scenarios. The second one consists in running a regression analysis to historical cash flow and exchange rate data.

To assess transaction exposure, the firm needs to (1) estimate its net cash flows in each currency and (2) measure the potential impact of the currency exposure. Value at risk is a well-known method to assess transaction exposure. According to Khazeh, Salimian, Winder (2012) the Value-At-Risk (VAR) technique has become one the most accepted approaches to assessing transaction exposure. The VAR methodology can be engaged to appraise the maximum likely loss on the value of the MNC’s net cash flows denominated in one or more foreign currencies for a given time period. The desired time period can vary from as short as 1-day (in this study) to as long as 1-week, 1-month or even longer. The estimates of the maximum loss can then be used to assess if hedging is desirable.

Holton (2003) says that the VAR calculation depends on 3 parameters: (a)The holding period, i.e., the length of time over which the foreign exchange position is planned to be held. The typical holding period is 1 day. (b) The confidence level at which the estimate is planned to be made. The usual confidence levels are 99% or 95%, and (c) the unit of currency to be used for the denomination of the VAR.

This method has some limitation. According to Madura (2008) the VAR method presumes that the distribution of exchange rate movements is normal. If the distribution is not normal, the maximum of expected loss is subject to error. VAR method also assumes that the standard deviation of exchange rate movements is stable over time. If exchange rate movements are less volatile in the past than in the future, the estimated maximum expected loss derived from the VAR method will be underestimated.

Hagelin and Pramborg (2004) suggest that there are risk reducing effects from transaction exposure hedges as well as from translation exposure hedges. A possible explanation for the latter is that translation exposure approximates the exposed value of future cash flows from operations in foreign subsidiaries (i.e. economic exposure). If so, by hedging translation exposure, economic exposure is reduced.

A common question that rises is whether exchange rate risk is relevant. Thus, is it worth to spend time and money to hedge it? According to Madura (2008) exchange rate risk is not relevant according to purchasing power parity (PPP) theory (exchange rate movements are just a response to differentials in price changes between countries. Therefore, the exchange rate effect is offset by the changes in prices). But PPP does not necessarily hold, so exchange rate will not necessarily change in accordance with inflation differential.

Another irrelevance is that investors in multinational companies can hedge exchange rate risk on their own, but investors prefer that corporations perform the hedging for them.

Currency diversification is another argument. If a multinational company is well diversified across numerous countries, its value will not be affected by exchange rate movements, because of offsetting effects. But it is naive to presume that exchange rate effects will offset each other just because a multinational company has transactions in many countries.

Some critics also argue that if stakeholders are well diversified, they will be somewhat insulated against losses experienced by a multinational company due to exchange rate risk. But it is difficult to compose a diversified portfolio of stocks that will be insulated from exchange rate movements. For these reasons, exchange rate risk is relevant and should be assessed and hedged if necessary.

Eun, Resnick (2004) say that to hedge economic exposure, the firm can use different strategies such as selecting low-cost production sites. The firm can choose to locate its production facilities in a foreign country where costs are low due to either the undervalued currency or underpriced factors of production. The firm can also try to maintain flexible
sourcing policy, diversification of the market, product differentiation, or financial hedging using currency options or forward contracts.

Transaction exposure can be hedged by financial contracts and operational techniques. Financial contracts consist of forwards, money market, option, and swap contracts, as well as by operational techniques as the choice of invoice currency, lead/lag strategy, and exposure netting.

**Forward contracts** are the most common means of hedging transactions in foreign currencies. The trouble with forward contracts, however, is that they require future performance, and sometimes one party is unable to perform on the contract. When that happens, the hedge disappears, sometime at great cost to the hedger. This default risk also means that many companies do not have access to the forward market in sufficient quantity to fully hedge their exchange exposure. For such situations, futures may be more suitable. Forward are usually offered from banks. Commercial banks in Albania are not allowed to offer forward contracts with maturity longer than one day. They have to close out the position within the day. Thus these instruments cannot be used from our businesses yet. Outside of the interbank forward market, the best-developed market hedging exchange rate risk is the currency futures market. In principle, currency futures are similar to foreign exchange forwards in that they are contracts for delivery of a certain amount of a foreign currency at some future date and at a known price. In practice, they differ from forward contracts in important ways. Futures are traded in financial exchanges. Developed financial exchanges do not offer futures on lek currency, and Tirana stock exchange still does not trade these instruments. Thus our firms still cannot use futures.

**Money market hedging** consists of lending and borrowing in the domestic and foreign money markets. Generally speaking, the firm may borrow (lend) in foreign currency to hedge its currency receivables (payables), thereby matching the assets and liabilities in the same currency. This is a strategy that Albanian firms can execute.

Many companies, banks, and governments have extensive experience in the use of forward exchange contracts, whereas currency options—or option contracts in general—are still used far less frequently. However, as market participants have developed a better understanding of option pricing, trading, and hedging of options positions over the last couple of years, the use of options has become more frequent. But yet, far away for Albanian firms to be understood and used. By using options firms can still benefit from favorable moves of exchange rates, unlike forwards and futures.

Firms often have a sequence of accounts receivables or payables in a foreign currency. These cash flows can be hedged using a currency swap contract, that is an agreement to exchange one currency for another at a given exchange rate. This is called the swap rate and these contracts are known as swap contracts.

**Invoice currency hedging** is an operational hedging technique. The firm can shift, share or diversify exchange risk by appropriately choosing the currency of invoice.

A firm will “lead” (to pay or collect early) soft currency receivables, and “lag” (pay or collect late) hard currency receivables to avoid the loss from depreciation of the soft currency and benefit from appreciation of the hard currency. For the same reason, the firm will try to lead the hard currency payables and lag soft currency payables. In this way the transaction exposure the firm faces can be reduced. This is a strategy that firms in Albania can use.

**Exposure netting**, means that the firm should hedge residual exposure, rather than hedge each currency position separately.

Two ways to control translation risk are: a balance sheet hedge and a derivatives “hedge”. Since translation exposure does not have an immediate direct effect on operating cash flows, its control is relatively unimportant in comparison to transaction exposure, which involves potential real cash flow losses. Since it is, generally, not possible to eliminate both translation and transaction exposure, it is more logical to effectively manage transaction exposure, even at the expense of translation exposure. (Eun, Resnick 2004). As firms in Albania do not have foreign subsidiaries, they do not face this kind of exposure.

3. Methodology and results

In this paper we tried to find out the exchange exposure of the firms in Albania, what kind of exposure that is, and how the firms can hedge it. We considered a case study consisted of an Albanian firm operating in Shkodra. For sure we cannot generalize our findings, but at least we can make an idea and also show how firms should determine the exchange risk they face.

The firm was selected randomly and we interviewed the representatives and also got the financial statements and data needed for our analysis.

The firm is an insurance company. All the prices for the services offered were set in euros. So, if one wanted to pay in lek, he had to convert the leks to euros with an exchange rate offered from the firm. In this way, the firm was hedging the transactional exchange exposure, while the client was facing it. Table one gives the income generated from
sales in euros from January 2011-September 2011 and the exchange rates used from the firm (which is determined from the beginning of the month and used throughout the month) and the exchange rate declared from the Center Bank of Albania at the end of the month.

Table 1.

<table>
<thead>
<tr>
<th>2011</th>
<th>Income from sales in euros (1)</th>
<th>Firm’s exchange rate(2)</th>
<th>Central Bank’s exchange rate (end of the month) (3)</th>
<th>Change in percentage of the exchange rate</th>
<th>Sales in lek (1x2)</th>
<th>Change in percentage of the sales</th>
<th>Sales in lek (1x3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>4754.33</td>
<td>139</td>
<td>139.31</td>
<td>0.44%</td>
<td>660,851.87</td>
<td>-62.02%</td>
<td>662,325.71</td>
</tr>
<tr>
<td>February</td>
<td>1806</td>
<td>139</td>
<td>139.92</td>
<td>0.46%</td>
<td>250,986.74</td>
<td>-25.20%</td>
<td>252,647.95</td>
</tr>
<tr>
<td>March</td>
<td>3620</td>
<td>139</td>
<td>140.57</td>
<td>0.46%</td>
<td>503,156.37</td>
<td>100.47%</td>
<td>508,839.50</td>
</tr>
<tr>
<td>April</td>
<td>6447</td>
<td>140</td>
<td>142.4</td>
<td>1.30%</td>
<td>902,552.00</td>
<td>79.38%</td>
<td>918,024.32</td>
</tr>
<tr>
<td>May</td>
<td>3677</td>
<td>141</td>
<td>142.1</td>
<td>-0.21%</td>
<td>518,430.21</td>
<td>-42.56%</td>
<td>522,474.70</td>
</tr>
<tr>
<td>June</td>
<td>4115</td>
<td>142</td>
<td>141.4</td>
<td>-0.49%</td>
<td>584,301.60</td>
<td>12.71%</td>
<td>581,832.72</td>
</tr>
<tr>
<td>July</td>
<td>14740</td>
<td>142</td>
<td>140.19</td>
<td>-0.86%</td>
<td>2,093,051.60</td>
<td>258.21%</td>
<td>2,066,372.56</td>
</tr>
<tr>
<td>August</td>
<td>19465</td>
<td>140</td>
<td>140.44</td>
<td>0.18%</td>
<td>2,725,076.20</td>
<td>30.20%</td>
<td>2,733,640.73</td>
</tr>
<tr>
<td>September</td>
<td>5540</td>
<td>140</td>
<td>140.95</td>
<td>0.36%</td>
<td>775,600.00</td>
<td>-71.54%</td>
<td>780,863.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,014,006.59</td>
<td></td>
<td>9,027,021.19</td>
</tr>
</tbody>
</table>

We have run a regression analysis to see whether the firm faces economic exposure.

\[ y = \alpha + \beta x \]

If the coefficient before the independent variable is significant, then the firm faces economic exchange exposure.

So, we have the following hypothesis:

\[ H_0: \beta = 0 \text{ and } Ha \beta \neq 0 \]

After running the regression analysis between percentage change in the direct exchange rate of lek/euro and change in percentage of sales generated in euros and converted to lek (with the firm’s stated exchange rate), we have the following relationship:

\[ y = 0.458 - 51.849x \]

\[ R^2 = 0.1003 \]

Now we have to test the coefficient of the independent variable for its significance. We will compare the t-statistic to the critical value (from the t-table) to determine whether the coefficient differs significantly from the values stated in the hypotheses. The results will be interpreted with Fisher distribution and Student distribution. We will use the ANOVA table and table of coefficients for statistical purposes. We will be using a confidence level of 95% (P>0.05).

Figure 1.

From the regression results, the t-statistic for the coefficient of the independent variable is -0.81806, which is less than the critical value 2.447, and P value = 0.444590758 > 0.05. In this way we cannot reject \( H_0 \) with 95% confidence level.
Thus, the coefficient is not significant; it is not statistically different from zero. From this, we can conclude that the firm does not face economic exposure.

Table 2. Summary output of regression analysis of the firm

<table>
<thead>
<tr>
<th>Regression Statistics</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
<td>0.31677105</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R Square</td>
<td>0.100343898</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>-0.049598786</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Error</td>
<td>1.117612632</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANOVA</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>df</td>
<td></td>
<td></td>
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<tr>
<td>SS</td>
<td>0.835888386</td>
<td></td>
<td></td>
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<tr>
<td>MS</td>
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<tr>
<td>Significance F</td>
<td>0.669215033</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.444590758</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standard Error</th>
<th>t Stat</th>
<th>P-value</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.457972761</td>
<td>0.406167521</td>
<td>1.127546</td>
<td>0.302573188</td>
<td>-0.535883359</td>
</tr>
<tr>
<td>Change in % of Ex.Rate</td>
<td>-51.84938089</td>
<td>63.38123994</td>
<td>-0.81806</td>
<td>0.444590758</td>
<td>-206.937688</td>
</tr>
</tbody>
</table>

We will continue the analysis with this firm to assess transaction exposure based on value at risk (VAR). This method measures the potential maximum one-day loss on the value of position of the firm that is exposed to exchange rate movements. If the percentage changes of the exchange rate are normally distributed, the maximum one-day loss is determined by the left tail (the lower boundary) of the probability distribution. If we consider 95 percent confidence level, the maximum one-day loss is going to be about 1.65 standard deviations away from the expected percentage change of the exchange rate.

Maximum one-day loss = E(et) – (1.65 x σ_euro)

If we have a look at the exchange rate of lek/euro for the period from January 1st 2013 to April 30th, and calculate the standard deviation of the percentage change of this exchange rate, we will have a value of σ = 0.175%.

Suppose that we are not expecting a change in the exchange rate for the next day, thus E(e_t) = 0%. The maximum one-day loss is going to be:

Maximum one-day loss = 0% – (1.65 x 0.175%) = -0.28875%

If the maximum one-day loss occurs, the euro’s value will have declined to 137.78 lek/euro. If the next day the firm is expecting to get 10,000 euros, which today represents 100,000 x 138.179 = 13,817,900 leke, with a decline of 0.28875% we will have a loss of 13,817,900 x (-0.28875%) = 39,899.19 leke. This is up to the firm if this amount is large enough in order to decide whether or not to hedge it.

We can use VAR method to assess exposure even over longer time horizons. To apply VAR for longer time horizons, we have to estimate the standard deviation over the time horizon in which the maximum loss is to be measured. First, we calculated the standard deviation of the monthly percentage change of the exchange rate from January 2004 to September 2011. It resulted equal to 1.0555%. After that we estimated the euro value of the maximum one-month loss according to VAR method with 95% confidence level. The results are shown in table 3. According to our calculations the firm is exposed to exchange rate risk, as euro can depreciate.

To continue with exchange rate exposure analysis we will have to estimate the translation exposure. The degree of translation exposure is dependent on the proportion of the business conducted by foreign subsidiaries, the location of the foreign subsidiaries and the accounting method used. Firms operating in Albania are mainly domestic firms, which do not have subsidiaries in other countries, thus they do not face translation exposure.
Table 3.

<table>
<thead>
<tr>
<th>Year</th>
<th>Income from sales in euros (1)*</th>
<th>Firm’s exchange rate(2)</th>
<th>Central Bank’s exchange rate (end of the month) (3)</th>
<th>Expected change in percentage change of the exchange rate from firm perspective**</th>
<th>Max one month loss</th>
<th>Euro value of the max one month loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>4754.33</td>
<td>139</td>
<td>139.31</td>
<td>-0.2225%</td>
<td>-1.9640%</td>
<td>136.5739</td>
</tr>
<tr>
<td>February</td>
<td>1806</td>
<td>139</td>
<td>139.92</td>
<td>-0.6575%</td>
<td>-2.3990%</td>
<td>136.5633</td>
</tr>
<tr>
<td>March</td>
<td>3620</td>
<td>140</td>
<td>140.57</td>
<td>-0.4055%</td>
<td>-2.1470%</td>
<td>137.552</td>
</tr>
<tr>
<td>April</td>
<td>6447</td>
<td>140</td>
<td>142.4</td>
<td>-0.9831%</td>
<td>-2.7247%</td>
<td>138.5201</td>
</tr>
<tr>
<td>May</td>
<td>3677</td>
<td>141</td>
<td>142.1</td>
<td>-0.0704%</td>
<td>-1.8119%</td>
<td>139.5253</td>
</tr>
<tr>
<td>June</td>
<td>4115</td>
<td>142</td>
<td>141.4</td>
<td>-0.2225%</td>
<td>-1.9640%</td>
<td>136.5739</td>
</tr>
<tr>
<td>July</td>
<td>14740</td>
<td>142</td>
<td>140.19</td>
<td>-0.1355%</td>
<td>-1.8770%</td>
<td>137.5586</td>
</tr>
<tr>
<td>August</td>
<td>19465</td>
<td>140</td>
<td>140.44</td>
<td>-0.3133%</td>
<td>-2.0548%</td>
<td>137.5542</td>
</tr>
</tbody>
</table>

*Suppose these are expected cash flows to be received
** ((2)t1-(3)t0)/(3)t0

4. Conclusions and Recommendations

Firms engaged in international businesses or not do face exchange rate risk. This is the possible loss in value of the firm, or loss in cash flows received or loss in translation. The types of exchange rate exposures that the firms face are economic exposure, transaction exposure and translation exposure. The main technique to measure the economic exposure is to run a regression analysis between change in percentage of cash flows or income, or sales and the change in percentage of exchange rate. Whereas, assessing the transaction exposure is the value at risk technique.

Economic exposure can be defined as the extent to which the value of the firm would be affected by unexpected changes in exchange rates. Transaction exposure is defined as the sensitivity of realized domestic currency values of the firm’s contractual cash flows denominated in foreign currencies to unexpected exchange rate changes. Translation exposure, on the other hand, refers to the potential that the firm’s consolidated financial statements can be affected by changes in exchange rates.

The firm is subject to a transaction exposure when it faces contractual cash flows denominated in foreign currencies. Transaction exposure can be hedged by financial contracts like forward, money market, and options contracts, as well as by such operational techniques as the choice of invoice currency, lead/lag strategy, and exposure netting.

The currency that Albanian firms are most exposed to, is the euro. This is because most businesses that Albanian firms deal with come from the Eurozone.

The firm considered in this paper does not face economic exposure. In general, firms in Albania do not face economic exchange risk, because there are mainly domestic firm operating in different sectors. An exception is the bank sector where there are mostly foreign owning banks. But, these are all affected in the same way from euro exchange rate.

Firms do face transaction exposure. They use operational techniques to hedge this risk exposure, but they cannot use financial instruments. The first reason is due to lack of financial knowledge, and the second reason is that our currency lek, is a minor currency. Forward contracts are not offered from our commercial banks and futures on this currency do not trade in foreign exchange markets.

Firms should know and assess the exchange rate exposure and find out instruments and techniques to hedge. Commercial Banks in Albania should start offering forward contracts, so that firms can hedge their transaction exposure by using financial instruments.

References


www.oanda.com/currency/historical-rates/
Analysis of the Train Station Vendors Eviction Related To University Students’ Social Movement: A Case of Universitas Indonesia’s Students Social Movement to The Train Station Vendors Eviction in Universitas Indonesia Station and Pondok Cina Station

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Citra Zainuri
Patricia Amelia

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Abstract

The research aims to describe and analyze the background, condition, and factors which cause students advocacy to the train station vendors in Jakarta, Bogor, Depok, Tangerang, Bekasi (Jabodetabek) area that will be evicted by PT Kereta Api Indonesia. This study focuses on cases that happen in Universitas Indonesia Station and Pondok Cina Station since both stations located in the researchers’ university. Method that is used in this research is a qualitative approach by literature review and in-depth interview as data collectors techniques. Factors such as political situation are also considered in order to know how they motivated and contributed to the event. In the same way, the study also focuses on the cultural backgrounds within the historical context in chronological order since November 2012 until May 2013. Historical analysis was done using approaches from other disciplines such as sociology, psychology, and political science and will also be supported by legal basis that PT Kereta Api Indonesia referred to execute the eviction, in order to obtain a broader understanding of the students’s movement.

1. Introduction

The series of the eviction of the train station vendors in Jabodetabek area have became a social phenomenon that attracted people attentions. The eviction series started since the end of 2012 and continue until May 29th 2013 with the eviction that happened in Universitas Indonesia Station. This study focuses on cases that happened in Universitas Indonesia Station and Pondok Cina Station since both stations located in the researchers’ university and had the highest level of aggressiveness and in the end triggered some conflicts.

In this study, researchers also focus to the students’ social movement that happened as a form of advocacy to this case that researchers analyzed from some social theories. Which are community psychology, social psychology, social conflict theory, and social movement theory. Beside, this study explained with historical context in chronological order.

Problems formulation based on the background above are the problems from the focus of this study, which are (1) What factors that cause the eviction in Universitas Indonesia Station and Pondok Cina Station? (2) How’s the chronology of the movement within series of the eviction? (3) What are the reasons and roles that students played in the eviction?

The aim of this study are : (1) To analyze factors that cause the eviction in Universitas Indonesia Station and Pondok Cina Station. (2) To analyze and explaining the chronology of the movement within series of the eviction. (3) To analyze and explain students’ reasons and roles in the eviction.

Method that is used in this research is a qualitative approach by literature review and in-depth interview as data collecting techniques. Literature review was done using approaches from other disciplines such as sociology, psychology, and political science. Sociology theories that used are conflict theory and social movement theory; while psychology used some theories from social psychology and community psychology. This study will also be supported by legal basis that PT Kereta Api Indonesia (PT KAI) referred to execute the eviction, in order to obtain a broader understanding of the students’ movement. In depth interview as data collecting techniques done by interviewing variety stakeholders from the eviction, which are train station vendors and students of Universitas Indonesia.

One of sociological theories that used in this paper is theory of dialectical conflict proposed by Ralf Dahrendorf. Theory of dialectical conflict means people have two faces, namely conflict and consensus, because conflict
institutionalized. This conflict is a reflection of the condition in relation to the authority. Each of these associations can be basic rights to other parties. Power and authority is a major source of conflict and change in the patterns that have been institutionalized. This conflict is a reflection of the condition in relation to the authority. Each of these associations can be classified into two basic types of roles, the ruling and the ruled. On certain conditions, awareness of the contradictions of interests will increase, resulting polarization in imperatively coordinated associations into two opposing groups. There are three units that involved related to the train station vendors eviction which happens in several train stations in Jabodetabek area. There are PT. Kereta Api Indonesia (PT.KAI), Train Station Vendors which fused in a organization named Persatuan Pegiat Usaha se-Jakarta-Bogor-Depok-Tangerang-Bekasi (Jabodetabek) which called Perpustabek, and Universitas Indonesia’s students. That each social units considered as imperatively coordinated association that have analytical purposes. (Ralf, 1958 in Soerjono, 1988. p. 77-83)

Moreover, the eviction conducted by PT KAI which is a state train and railway company, started with Presidential Decree number 83/2011 that command PT KAI to curb station area. The Presidential Decree was issued in November 24th 2011. Since then, PT KAI start to fight for their purposes by doing eviction hundreds of kiosk within the station. At first they spurec long range station outside Jakarta, then started in November 2012, they targeting Jakarta-Bogor-Depok-Tangerang-Bekasi (Jabodetabek) stations.

In November 26th 2012, PT KAI sent a letter to Universitas Indonesia Station which assert the kiosk owner to empty their kiosk. The letter was received by the station vendor and they spread the word to other vendors. PT KAI also announce openly to empty the kiosk with expired contract. The vendors felt that they still have a right to use the kiosk, since their contract is still valid. The expiration date of the vendors contract is vary. The last contract, expired in May 31st 2013. So they thought that the eviction isn’t right. Since the first notification letter was sent in late November 2012.

Ari, Chief of BEM Faculty of Law 2013, stated that a contract problem was the vendors weren’t understand what was in it. Some of them doesn’t understand about the clause inside the contract (Personal Communication, June 24, 2013). Ayu from Perpustabek, told us about this contract PT KAI gave the contract to the vendors and told them to read it and they just signed the contract when they first renting the land (Personal Communication, June 26, 2013). In few station, vendors didn’t pay the rent directly to PT KAI, but to the head of station. This support the idea that actually some of them were paying to wrong person and PT KAI didn’t received and extending their contract with the vendors.

One of the clause in the contract was the vendors should give back the land they use if PT KAI need it. Now, PT KAI wanted to expanding the platform because of the growing of passanger. PT KAI expecting 1,2 million passanger each day in 2018 (Akmal, 2013). since they have a different understanding about the contract, this problem continue to be a bigger problem, because everyone think they were right, especially it makes one of the vendors in Universitas Indonesia station named Ayu, realized that she has to do something to fight for the vendor’s right.

Ayu contacted Universitas Indonesia alumni, Suma Miharja. He was explained about the condition and stated he will support and advocating the vendors if they want to fight for their right. Bu Ayu also searching for students support. They know that there is official students organization called Badan Eksekutif Mahasiswa (BEM) or Students Organization Body, so she searched for BEM member contact number. She asking most of her customer whether he or she was member of BEM. Finally she managed to get the number of Chief of BEM Universitas Indonesia 2012, Faldo Maldini. She contacted Faldo that night and explained the condition. Faldo promised that he will be there tomorow with 30 students.

Beside of Universitas Indonesia Station that clearly is part in Universitas Indonesia area, Pondok Cina Station have Beside of Universitas Indonesia Station that clearly is part in Universitas Indonesia area, Pondok Cina Station have
equipped join force from Police and Army securing the eviction. They also supporting PT KAI internal security force and eviction task force.

Students and join force involve in direct contact when students and vendors crowd tried to cancel the eviction. Some of the students got hit by the police which is equipped with heavy gear and injured. Ali, Chief of BEM UI 2013, fall from the platform to the rail way and some of the vendors injured by the act of the police. Violence, is a behavior designed to inflict injury to people or damage to property (Hugh, 1969 in Ron & Robert, 1979. p. 5). According to Graham’s definition of violence, this incident was explained the meaning of violence itself. These also defined what Ron E. Roberts (1979) said in his book, “Social Movements: Between the Balcony and the Barricade” about reactionary violence. Reactionary violence represents attacks by loosely organized groups against elites who in some way took away rights they once enjoyed; hence the label “reactionary” (Ron, 1979).

After the Lenteng Agung eviction, students and vendors tried to consolidate their movement. Story about how harsh police treated the students and vendors was massively spread. This story ringing a bell and the other students started to noticing this eviction problem. Hanif, Chief of BEM FISIP 2013 stated that this story built solidarity within the students (Personal Communication, June 18 2013). After that other students started to be involved in the movement. Ari, Chief of BEM Faculty of Law 2013 told that, their conscience and intelectuality support what they have done to help the vendors (Personal Communication, June 24, 2013). This represents Hans Toch’s state about social movement. Hans Toch (1965) stated that a social movement represents an effort by a large number of people to solve collectively a problem that they feel they have in common. Movements are a special kind of social collectivity that is not organized, but may have members who belong to organized groups; therefore, a movement is a social collective that has some element of planning or goal orientation within it (Hans, 1965 in Ron & Robert, 1979. p. 14).

The main objective of the students was helping vendors with their movement. Faldo told that vendors were very different from the students, therefore studenten involved in the early movement tried to help them and directing what they should and could do (Personal Communication, April 2, 2013). Law students tried to analyze vendors and PT KAI contract, psychology students help vendors by establishing Psychology First Aid which help psychological problem that occur after the eviction. Faldo stated that students have no interest in this eviction, they just wanted to help (Personal Communication, April 2, 2013). Thus students demand in the movement was also vendors demand which is comprehensif dialogue with PT KAI. Since, most of eviction occured without any dialogue.

The students also seeking external help. Legal Aid Jakarta was appointed to be vendors attorney and they also report to National Human Right Commision in Indonesia which called Komnas HAM, asked them to ask PT KAI to delayed and abort the eviction untill dialogue occur between PT KAI and vendors. Vendors believe that PT KAI already violated their right working because conducting eviction without dialogue. This social movements are reactions on the part of individuals and groups to unsatisfactory conditions in social life (Jerome, 1930. in Ron & Robert, 1979. p. 12). There is a maladjustment which causes mental and social friction, and the movement develops as an effort to bring about harmony. These also one of many societal problems as economic at base.

As Dahrendorf (1958) said that conflict is driven or inhibited by various structural conditions or variables and it proved in the eviction that happened in Pondok Cina Station, because this eviction attracted students attention. It happened in holiday season, makin only handful of students come to campus area. The students and vendors that involve in the movement, went to Presidential Palace that morning to conduct a demonstration. But, that morning, in Pondok Cina Station came a group of PT KAI eviction task force with few hoodlums. Ayu told that, since most of vendors went to Presidential Palace, there were only women and old man in that area of kiosk (Personal Communication, June 26, 2013). Few students were also there, when the task force and hoodlums came to the station. Faldo Maldini was called to be informed about this matter and he went straight to Pondok Cina Station. The eviction already started when Faldo arrived with hoodlums break few kiosk. Students tried to defending the kiosk got hit with a crowbar by this hoodlums. This incident also explained Graham’s definition of violence, as written above. The main problem here, why they need someone to do it with violence to hurt people and destroy the kiosks, here we can see that actually they just do what they’ve been told to do, they do not feel wrong to do such things, and this is brings us to the understanding of obedience in social psychology that one person simply orders one or more others to perform some actions of what they want (Robert & Nyla, 2012. p. 255). Thus they don’t feel wrong because that role that was given to them by PT. KAI.

Croud of students and vendors which on their way to Presidential Palace informed about this event and turned back to campus. Students with motorcycle went straight to the campus while other use train from Djuanda Station near Presidential Palace. Faldo said that almost six cars of train filled with angry vendors arrived in Pondok Cina Station. Vendors and students were questioning this eviction because no vendors were noticed about PT KAI plan to evict Pondok Cina Station that day. These explained Smelser’s fifth determinants of collective behavior: Mobilization of the
participant for action. This is a function of both communication and persuasion of the masses that they should take drastic collective action (Ron & Robert, 1979. p. 38)

When students from Presidential Palace demonstration arrived in Pondok Cina Station and seeing their friend got hit and injured, most of them got angry. They chased the hoodlums and seek for revenge. But their leader told them not to interact with the hoodlums. Therefore, conditions above can be said become the variables that driven the conflict getting worse.because of the situation that getting worse, we can see that aggression behavior appeared even not only from hoodlums, but also from the students which at first they refused to do anarchy in their movement. Philip Zimbardo (2007) explained this situation which is a key point about human behavior is the situation in which people find themselves – not their actually personal traits. The result of the experiments lead him to suggests that it is this tendency to yield to situational pressures – including conformity pressures – that is responsible for much evil behavior (Zimbardo, 2007 in Robert & Nyla, 2012. p. 264). Baron and Brascombe (2012) mention in their book, Classic studies in social psychology on deindividuation explained that people self awareness can be reduced and encourages to do wild and impulsive behavior in some conditions such as When people feel anonymous, they do perform actions they would not perform under other conditions. Also when people are part of a large crowd, they are more likely to obey the norms of the group, and do what others are doing (Postmes & Spears, 1998 in Robert & Nyla, 2012. p. 311).

Angry vendors wanted to meet with in charge person in that eviction but failed. Because of that they shut down the rail road and causing Commuter Line Jakarta, which is very busy, to be delayed. At first, vendors wanted to destroy station’s office. They already prepared gasoline and fire to burn down the office. Students tried to calm the vendors down until they came up with this blocking rail idea to express their anger. Karl Marx, although not writing a specific sociology of movements, deals with class struggle in such a systematic way as to constitute a theory of social change that is all encompassing. Marx saw the final movement or class action as one generating out of the final clash between the forces of one clash and another. In this case, Marx’s sight about social movement was well-explained.When the students finally decided to involve in blocking the rail, actually they do understand that behavior can trigger another problems such as legal problem, new conflict between new people, loss for PT. KAI, and many more. Basically they start the actions when they see the aggression behavior from the vendors who destroy fences and thing around the rail and put it on top of the rail. The behavior occurs when actually the vendors feel frustration because they feel everything prevents them from reaching goals they are seeking – thus, that feeling leads to the arousal of a drive whose primary goal is that of harming some person or object (berkowitz, 1989. In Robert & Nyla, 2012. P. 325) also in that such big crowd there are a lot of people that start a provocation, in physical or verbal, which is also one of the basic sources of aggression (Robert & Nyla, 2012. p. 328).

Since the blocking delayed the Commuter Line Jakarta, many passangers were angry. They walk from Universtias Indonesia Station to Pondok Cina Station and confront vendors and students there. Because of the passanger were protesting what vendors did, and they done that in quite long time, so they ended the blocking. Conflict resolution may lead to a situation which led to another conflict between the forces opposing like Dahrendorf said in his theory.

2. Universitas Indonesia Station Eviction

Universitas Indonesia Station were evicted on May 29th 2013. Join force from Police and Armed force securing the site. Universitas Indonesia main gate were closed because of this eviction. There are almost 1000 officer from Police, Armed Force and PT KAI Security force. Eviction task force were helped by PT KAI Security force and train technician.

Students and vendor crowd were about 150 people. Many of Universitas Indonesia Station vendors already emptied their kiosks, only few fighting PT KAI plan. Students was told to be at the station at 8 in the morning, but the eviction started at 7. So without preparation and enough people, students and vendors cannot defend the kiosk.

Clash between the crowd and police is not very intense because students and vendor were out numbered by the police. There are short time stone throwing but ended in no time. Many of the vendors, mostly woman, were crying and screaming to the eviction task force asking them to stop what they did. What students can do is helping the vendors and tried to calm them. Few student making a speech in front of the station while eviction task force doing their job to demolish the kiosk. Media were also there to report Universitas Indonesia Station eviction.

PT KAI as station operator have done a contract with vendors since 1986 when a vendors still do business in platfrom. This way, vendors was disrupting train users interest. Then PT KAI built kiosk on the edge of the platform to accomodate vendors. Vendors bought the building and rent the land. That time, old vendors, the one whose already vend in platform was charged Rp 15 million and rent the land for Rp 1 milion per year. This way, vendors owned the building. The new vendor who wanted to buy a kiosk charge with Rp 22 million and same amount for land rent.
3. Another Form of Movement

PFA were established by Psychology Faculty BEM to help and manage vendor after eviction. Ananda Findez, Chief of BEM Faculty of Psychology said this form of movement begun when they found a kid that told them he wanted to become a soldier and have a vengence to these people who destroyed their kiosk, and psychologically this kind of idea inapropriate so need to be handled (Personal Communication, June 24, 2013). Psychology students in the field also found that most students and people around the incident doesn’t understand how to interact with vendors after the eviction that happened to them. This is a different form of movement from Universitas Indonesia students. Some of them do the advocation and go to the street doing demonstration. But some also do this kind of thing, based on their experties.

Beside rally and PFA, students also register train station vendors in order to be keep in touch and effective coordination. This data will also be use to help the vendors in the future. Students also tried to spread the story about this eviction via social media such as twitter, facebook and tumblr. They write about the eviction on tumblr, facebook twitter and other blog, posting a video on youtube or campaigning with hastag in twitter. They tried to attract people attention to this matter and what they think is wrong about this eviction.

Going to Komnas HAM and other goverment body also part of the movement via institutionalize procedure and hoping that goverment can help them and the vendors to achived their goal and defending what they think the right of the vendors.

4. Conclusion

Students thought that there are something wrong about this eviction by PT KAI so they move to help and advocating the vendors. Their conscience and intelectuality also support what they have done all along. Solidarity within the students also move other to help the vendors. Solidarity came when they knew what happened to their friend in the field. Their goal was to help vendors with their own movement. They told the vendors what they could and should do.

Problem occur when the execution were contract validity, usage of hoodlums in the eviction, procedural problem, and moment and time of eviction. Violance which students and vendor counter when the eviction also the problem causing injury to them. Althoug most of the station already evicted, but some students and vendors still tried to fight what PT KAI have done. They arrange Class Action to PT KAI and hope they still manage to received their right.

It concludes that we can explain this phenomenon as a conflict situation which happened between PT KAI and train stations vendors and triggered Universitas Indonesia students’s to help them by doing advocating vendors. But this advocacy ended up seen as an mislead social movement even there are still other forms social movement that Universitas Indonesia’s students did such as PFA.

References

The Reflections of Israeli Apology to Turkey after Mavi Marmara Crisis on Turkish Press: Examples from Daily Newspapers; Cumhuriyet, Hürriyet, Sözcü, Yeni Şafak and Zaman

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Abstract

In line with the diplomatic history began in 1949, the relations between Turkey and Israel have fluctuated from time to time until the beginning of 21st century. Issues like Davos crisis, strikes on Gaza and the humiliation of Turkish ambassador caused the relations between two countries sour particularly. The main incident that caused tension in relations occurred when Israeli forces assaulted a flotilla of aid-carrying ships, aiming to break the country's siege on Gaza, and flotilla's lead vessel Mavi Marmara on May 31, 2010. After the incident caused death of nine Turkish activists the diplomatic relations between two countries came to a stopping point. The ongoing situation for 3 years has recently taken a new dimension with Israel’s apology to Turkey which meets Turkey’s three basic demands. This study examines the reflections in Turkish media within the context of Mavi Marmara incident. The results of this study are based on the data collected from five newspapers Cumhuriyet, Sözcü, Yeni Şafak, Zaman and Hürriyet which are representing different political ideologies in Turkey. The study aims to examine the relevant news about Mavi Marmara incident in forenamed newspapers using the critical discourse analysis on the dates March 23, 24 and 25. According to study, newspapers with different publication policies and ideology represent news stories using different discourses.

Keywords: Relations of Turkey and Israel, Mavi Marmara Incident, Critical Discourse Analysis.

1. Introduction

The relations between Turkey and Israel have experienced different situations over the 60 years, even the relations was almost finished among two countries. However, especially the after Justice and Development Party (AK Party) Governments since 2002, Turkey and Israel relations have experienced the most active periods. They had so many crises in this period; many of them are still unsolved. The most important crisis between two countries is “Mavi Marmara” raid. Mavi Marmara raid was carried out in May 2010 and because of this event, relations between Turkey and Israel was almost finished. Mavi Marmara is one of the charity ship one of the members of flotilla which goes to Gazze Strip blockaded by Israel since 2006 and the main aim of this charity organization is to draw attentions from world public opinions to Gazze and stop blockade. In order to stop the flotilla, Israeli army raided to Mavi Marmara and soldiers killed 9 innocent people on international water. After this, Turkey demanded formal apology and compensation for victims’ families from Israel and Israel have been silent to these demands for a long time. Nonetheless, after three years from the raid Israel apologized officially from Turkey and it also declared that Israel is ready to start negotiations with Turkey to compensate Turkey’s other demands.

In this study, the presentations of Turkish press for Israel’s apology from Turkey because of Mavi Marmara raid will be taken in hand. In the content of the study, Mavi Marmara raid was analyzed with taking into account the historical background of Turkey-Israel relations. Beside this, the reflections of Israel’s apology from Turkey were taken in hand from 5 different newspapers.

2. The History of Turkey and Israel Relations

Dursunoğlu (2000: 31) emphasized that Turkey and Israel relations have to be analyzed by separating three different periods; These;

1. Israel was recognized diplomatically by Turkey on 28 March 1949 but in this period, Turkey abstained from Islamic countries because of this relation and Turkey continued relations with Israel secretly.
2. In the period of 12 September 1980 military coup, relations was almost finished or stopped.
3. In this period, with Oslo meeting Turkey developed its relations with Israel openly and intensively, at this point relations from different countries were ignored.

Beside these three periods, a fourth period must be added that this period covers from 2002 to at that moment. Because in this period Justice and Development Party (AK Party) won elections and it has been governing Turkey for 11 years. In these 11 years, two countries have experienced a blowy relations period and after Mavi Marmara raid, which is the subject of this study, relations between two countries was almost stopped. In this part the study, historical background of Turkey and Israel relations will be analyzed briefly in a historical process.

Israel was established officially in 1948 with the supports of USA and UK which are winners of Second World War. Turkey became the first Muslim country among other Muslim countries to recognize Israel diplomatically. In this process, Turkey’s siding with westerner countries and efforts of USA to develop relations between Turkey and Israel were so effective. Although Arab-Israel war and Arab-Israel conflicts were so effective to determine policies of Turkey against Israel, Turkey always had to take into account its society’s demands (SDE, 2011: 4). After diplomatic recognition of Israel by Turkey, relations of two countries have developed rapidly and important developments have realized especially about military, economic and intelligence areas. However, in the shadow of Arab-Israel conflict as mentioned before, relations followed a blowy route (Yılmaz, 2010: 11).

Israel was born in a situation while hot war turning to cold war and after this wars between Israel and Arab states and Arab-Israel conflicts drawn whole attention of world to Middle East. Beside Palestinian problem’s being middle of the Arab-Israel conflicts, it is also the most important parameter affecting situations and conditions in Middle East. This occasion is also valid at that moment (Üren, 2011: 4). Turkey which is caught in the middle has tried to prove its detachment against Israel and after this Turkey was declared as gendarme of west by Turkish public opinions and Arab neighbors. With Israel’s being an actor in Middle East, Turkey’s role and image of being effective when it is necessary or assigned by west in the Middle East was injured severely (Çoşkun, 2010: 457).

Ateş (2012: 86) stated that the relations between Turkey and Israel was normal among 1949-1955 but the relations started to be damaged after Baghdad Pact in 1955. Baghdad Pact was signed among Turkey, Iraq, Iran, Pakistan and United Kingdom and it aimed to decrease effectiveness of the Soviet Union in the Middle East. At this point, Turkey rearranged its relations with Arab states and Turkey also tried to balance its relations with Israel. Moreover, the role of Israel in Suez Canal on 26 November 1956 was considered by Turkey and it changed its relations with Israel in charge d'affaires level.

After 1960s, Turkey started to carry out balanced policy which generally supported Arab states especially after the effects of Cyprus problem and its economic difficulties and Turkey started to implement this policy after second part of 1960s (Yılmaz, 2010: 13). Turkey’s taking position on the side of Arab states shows and proves its policy in these years. After Arab-Israel war, Turkey continued this attitude against Israel. Especially, Israel’s attacks to down Al Aksa Mosque strengthen and toughened Turkey policy against Israel (SDE, 2011: 9).

After the second half of 1970s, Turkey developed its relations with Arab states and Soviet Union and it started to experience political problems in its relations with USA. Another feature of this period is that Palestine Liberalization Organization established in 1964 and became powerful and its actions started to affect the relations between Turkey and Israel. In November 1975, Turkey voted in favor of accepting Zionism as a kind of racism and racial discrimination in United Nations. This caused to affect the relations with Israel negatively. Also Israel’s occupation the south Lebanon in March 1978 started another problematic period in Turkey-Israel relations. In July 1980, against declaration of Israel about Jerusalem as timeless capital, Turkey showed a strong respond and it closed its legation in Jerusalem. Also National Security Council of Turkey reacted to change the diplomatic relations in secondary secretary level because of Israel declaration about Jerusalem as timeless capital of Israel state (Özcan, 2001: 164-165).

In parallel with developments in international relations, after second part of 1980s Turkey-Israel relations have entered into the period of softening. Actually Prime Minister Turgut Özal played a crucial role for softening the relations among these countries (Yılmaz, 2010: 14). In this period, the most important obstacle in front of the improvement of Turkey-Israel relations was Palestine problem and its being unsolved. However, developments achieved in these years made relations positive compared with before. Peace process starting with Madrid Conference and following the Oslo Deal affected Turkey-Israel relations positively. Turkey changed its relations with Israel to embassy level in December 1991. In this process, peace process started after October 1991 and new international environment was so effective (Kasım, 2001: 574).

1990s witnessed the improvements in relations between Turkey and Israel. In 1992, Ezer Wiesman’s official visit for Turkey because of 500th years of Jews’ coming to Ottoman territory from Spain shows the importance of civil society activities between Turkey and Israel (Ateş, 2012: 86). Relations between two countries became intense in 1993. The reason of this, treaty confirming Oslo Peace Process was signed in 1993. This situation provides Turkey to act more
comfortable for improving its relations with Israel. Hikmet Çetin became the first Turkish Minister of Foreign Affairs visiting Israel in 1993 and one year latter Ezer Wiezman visited Turkey in 1994. In the same year, Simon Pérez Israel Minister of Foreign Affairs visited to Turkey and in October Turkish Prime Minister Tansu Çiller visited officially to Israel (Kasım, 2001: 571).

Military Training Cooperation Agreement on 23 February 1996 and Defense Industry Cooperation Treaty on 28 August 1996 were signed between Turkey and Israel. Strategic meeting for every sixth month, Mossad’s supports to Turkey’s problem with Syria for catching Abdullah Öcalan, first-aid and rescue support by Israel for Marmara earthquake in 1999 were the key points of convergence realizing in that period (Ateş, 2012: 86-87). Convergence of Turkey and Israel throughout 1990s entered a slowdown period and it turned a crisis at the end of 1990s. In parallel with happening in Palestine problem, Turkey Prime Minister Bülent Ecevit blamed Israel with slaughter and this increased the tension between two countries and this situation continued throughout 2000s (Tür, 2013: 27). Beside this, not being solved Palestine-Israel problem, Israel’s public opinions turning into politically fundamentalist and extreme right, policies of Israel governments caused to deteriorate the relation of Turkey-Israel while entering 2000s.

In 2000s Justice and Development Party won elections and got political power and because of policy change in Turkish foreign affairs Turkey’s field of interest enlarged. That is why; not only international but also regional circumstances were instrumental in shaping the relation of two countries (Üren, 2011: 3). The period of 1999-2009 should be taken in hand as a problematic and crisis period but in this period each country took some steps and turned the relation into normal situation (Tür, 2013: 27). However, events realized between Turkey and Israel from 2009 to at this moment caused the relation to turn into a crisis environment. The most important and also determinant event in this period is “Mavi Marmara” raid in 2010.

3. Mavi Marmara Raid

Israel Army carried out a raid to flotilla consisting 6 ships which carrying humanitarian aid to Gazze Strip blockaded by Israel for 4 years, especially army attacked Mavi Marmara ship having 6 hundreds passengers and 3 hundreds 47 of them Turkish citizens on international waters on 31 May 2010. Israel armed forces named this operation as “sea breeze” and they killed 9 innocent and unarmed Turkish people on Mavi Marmara and also hundreds were arrested by Israel (Reçber and Öğüt, 2012: 508). Justice and Development Party Government’s clear support to Palestine and especially Hamas government in Gazze, “One Minute” crisis at Davos in 2009, diplomatic crisis between Israel Minister of Foreign Affairs and Turkish Ambassador played determinant role to deteriorate relations of two countries. However, events coming relations to breaking point is the raid of Israel army to Mavi Marmara which aimed to stop blockade to Gazze Strip by Israel and in this raid 9 people were killed (Yalın, et all. 2012: 228). When raid was carried out, Turkish Prime Minister and Minister of Foreign Affairs in South America and President Abdullah Gül was also abroad because of another program. After this tragic events, Prime Minister, and Turkish President stopped their programs and returned to the country and Ahmet Davutoğlu Minister of Foreign Affairs went to New York and Turkey asked United Nations Security Council for urgent meeting. After Turkey’s call, United Nations Security Council gathered and declared a condemnation notice for Israel (SDE, 2011: 18).

With Mavi Marmara raid, Turkey and Israel, which had been strategic mutual in 1990s, came up against twice times. When looked this point, it can be said that relations of two countries were damaged and it seems that these effects will be going on. After Mavi Marmara raid, Turkey withdrew its Israel Ambassador and stopped diplomatic relations. Beside this, Turkey also demanded Israel three conditions to start relations again. These conditions are;

1. Official Apology,
2. Compensation for 9 Turkish People killed during the raid by Israeli soldiers,
3. Remove the embargo for Gazze Strip by Israel (Şahin, 2011: 24)

Israel have not accepted Turkey’s demands and it have made respond for along time and it also defended its justness about interference to the flotilla. Not squandering time, Turkish Government declared how its attitude will be against Israel in the explanations of Ahmet Davutoğlu Minister of Foreign Affairs. Turkey’s decisions about process are these;

1. Turkey changed its official relation level with Israel to secondary secretary level. Other officials will come back to Turkey especially ambassador until Wednesday.
2. Whole military treaties signed Israel before were suspended by Turkey.
3. Turkey which has the longest short in east Mediterranean will take every necessary precautions for navigation independence in this region.
4. Turkey does not recognize officially Israel's blockade to Gazze Strip. Turkey after 31 May 2010 will try to convince International Court of Justice to analyze Israel illegal blockade for Gazze Strip. In parallel to this, Turkey will make United Nations act responsibly.

5. Turkey will also support witness and victims of Israel attacks to seek justice in courts (Şahin, 2011: 26).

After Mavi Marmara raid Israel have been silent and oblivious to apology and compensations demands of Turkey and this has taken the relations away in fragile and unsolved situation. Although military treaties were suspended and diplomatic relation was turned into secondary secretary level by Turkey and this is a familiar situation for two country; Turkish and Israel public opinions and relations were damaged seriously in terms of polarization and being biased (Ateş, 2012: 87).

During USA President Barack Obama’s visit to Israel on 22 March 2013, Israel Prime Minister Benjamin Netanyahu apologized officially from Turkey by calling Turkish Prime Minister Erdogan for Mavi Marmara raid. After this conversation which Obama witnessed, Israel Ministry of Foreign Affairs declared official apology from Turkey to world public opinion (Tür, 2013: 27).

4. Method

After Mavi Marmara raid carried out 31 May 2010, Israel apologized officially from Turkey on 22 March 2013 and this found a big echo in Turkish press and newspapers gave big places for this news on their pages. This study takes in hand reflections of Israel’s official apology from Turkey in Turkish press. As sampling for the study 5 different newspapers from different ideological perspectives were selected and they will be analyzed for 3 days after the apology declaration. These Turkish newspapers are Cumhuriyet, Sözcü, Yeni Şafak, Zaman and Hürriyet. Cumhuriyet and Sözcü represent leftist-nationalist ideology, Zaman and Yeni Şafak represent conservative and right ideology, Hürriyet represents main stream media in the content of the study.

In the study, news of these five newspapers about Israel’s official apology from Turkey because of Mavi Marmara raid was analyzed according to critical discourse analysis method. News schedule includes the dates of 23-24-25 March 2013. Critical discourse analysis method was used to state that how Turkish press took in hand the Israel’s apology and how they represented the event and also by using this method it was aimed to make clear relation between news language and discourse.

Although news generally depends on real stories, it is passed through from journalist’s perspective and it is also processed in the mind of journalist. At this point we can take the event which is subject the news as raw materials of news. This raw material is converted news by processing in the environment of journalist’s mind, perception, comment and evaluation. Journalist gathers information by observing events, collecting knowledge from witnesses, news sources, sides of events and than he or she converts these materials into news by processing them in his or her cognitive process. Consequently, news text goes beyond the being complete reflection of event. In fact news produced by media can only be fiction narrative which is formed in some productive processes and is fed by real events although they depend on real events or stories. According to van Dijk, producers must be taken into account when these texts are analyzed (Güngör, 2011: 213-214).

Discourse analysis of van Dijk is a kind of analysis which takes texts in hand in terms of propositions. This method is accepted in the content of critical studies and it takes news in hand in terms of so many different points of views. Teun van Dijk formed theoretical and practical background of Critical Discourse Analyze Method and according to his idea news must be taken in hand as context and social production. van Dijk also analyzes discourse as ideologically and especially he focuses on social cognitions. These cognitions are counterparts of the terms of consciousness, production of meaning or perception (Mora, 2011: 18). According to Güngör (2011: 214) while van Dijk emphasized that news discourse forms in a social environment, idea situation and ideological structure of social environment are more effective on the formation of discourse. van Dijk has developed a dual structure for discourse analysis as Macro and Micro. Mora (2011: 20-21) states van Dijk’s Macro and Micro structures like this:

Macro Structures; are separated two parts as thematic and schematic structures.

1. Thematic Structure: Top title, title, subtitle, spot and news entrance; title and news entrance; beside summarization, they play a role as summary. Analysis of standard news consisting title, spot and news entrances shows that news is a hierarchic system which shapes news from important to less important and from general to special.

2. Schematic Structure: This part includes information about news event and it evaluates how news was taken in hand. It may also include context and background information. Verbal reactions of event’s sides and news
sources can be given place in this part. Associations like government, courts etc. are macro structures and newspaper is connected with micro structures.

Micro Structures:
1. Syntactic structure.
2. Regional coherence among words; this structure analyzes relations of words repeatedly come with each other.
3. Words selections; selected words reflects ideology of newspaper and journalist.
4. Rhetoric analysis of news; length or shortness of sentences used in news, simplicity or complexity of sentences, activity or passivity of sentences, photos, graphics increasing reliability of news, numbers, data and news rhetoric make clear ideological structure of news. Micro structures are journalists, demonstrators and minorities.

5. Findings

5.1 Discourse Analysis of News Published by CUMHURIYET

One day after the event on 23 March 2013 Cumhuriyet published its first news about the event on first page and it was elaborated inside pages. Newspaper serviced its news to readers with using the title of “Obama reconciled” and top title of “Netanyahu apologized for Mavi Marmara. Erdoğan accepted it”. The statement of “Obama reconciled” used as news title tells that main reason of this apology is President Barrack Obama”. Beside this, newspaper also wants to show the statement of Obama’s message focusing regional alliance of Turkey and Israel was evaluated as a sign of his Middle East project as main reason of the apology. It is also remarkable that apology of Israel from Turkey, which is so important for Turkish and world public opinions, was taken in hand on first page but not as headline by Cumhuriyet.

At this time on 24 March 2013 newspaper published second news on its headline about the event with using title of “USA got something out of this” and subtitle of “Apology of Israel accepted as a victory by Turkey keeps secret Middle East plans of Obama from people”. “Interests outbalanced” is another statement highlighted in news discourse by newspaper. Newspaper also highlighted that this apology is not a success of Turkey’s diplomatic effort, contrary to this; it is an attempt of USA in accordance with USA’s interest in Middle East. Also inside part of the news, newspaper used the title of “interests, interests, interests…” to support its general news discourse.

On the third day of the event, Cumhuriyet did not publish any news about the event. In addition to this, columnists of newspaper also did not write anything about the event which took a huge place on international media organization.

5.2 Discourse Analysis of News Published by SÖZCÜ

On 23 March 2013 Sözcü serviced Israel’s official apology from Turkey to its readers as news on a small part of first page. News also published as so small inside pages. Newspaper used the title of “Obama made Israel apologize” and it published a photo showing Obama, Erdoğan and Netanyahu together. Newspaper also used a remarkable sentence “They will be very close in a short time” under the photo. With using the statement of “Obama made Israel apologize” newspapers tried to produce a discourse implying that Israel did not apologize inherently from Turkey, Obama made Israel apologize from Turkey. Continuation of the news, newspaper emphasized the relations of Turkey-USA and Israel and that is why, Israel’s apology hide different purposes its behind. Similarly Cumhuriyet, Sözcü did not publish this important news on its headline or middle of the first page. Moreover, newspaper did not use any specific news source for its news and it used some passive word structures and citations as news source.

On 24 March 2013, Sözcü published a news in its inside page with using the title of “At first Obama talked with Erdoğan and than he gave the phone to Netanyahu”. By doing this, newspaper wanted to strengthen its general news discourse claiming that the apology was organized by Obama and Israel did not inherently do this. Beside this newspaper claimed that main reason of the apology is alliance and mutual interests of Turkey, USA and Israel in Syria and newspaper supported this claim by using some indirect citations from international media.

On 25 March 2013, Sözcü published a news in its inside page with using the title of “Government will corporate with blood killers” and it also gave a message to its readers by using subtitle of “Israel confessed why it apologized from Turkey”. Newspaper also strengthened its general news discourse with using a photo of Obama and Netanyahu and under the photo newspaper used the statement of “Turkish Government and Israel will attack Bashar Al-Assad together”. Continuation of the news, newspaper used the title of “Intervention team is preparing” and in the content of news newspapers used statement of “Israel Prime Minister Netanyahu apologized from Erdoğan in order to cooperate with Turkey against Syria”. When thematic structure of news is analyzed, newspaper tried to produce...
a discourse implying that Israel apologized from Turkey because of its regional interests and also newspaper defined Israel and USA as bloody killer in its news discourse. In general, newspaper embraced a biased publication policy because of its bad relations with Turkish Government and that is why it tried to reflect the event not a success. It reflected the event as a secret treaty among Israel-Turkey and USA against Syria. It used a problematic language structure to produce its biased news discourse and newspaper did not use so many news sources for its news.

5.3 Discourse Analysis of News Published by HÜRRİYET

Hurriyet announced its first news about Israel apology from Turkey on its headline with using title of “Apology Victory” on 23 March 2013. Newspaper reflected evidently this news as a diplomatic victory of Turkish Government with using supportive titles and subtitles such as “Victory”, “We are ready to pay compensation”, “Turkey’s got its demands”. In continuation of the news, newspaper gave a huge place to explanations of Turkish Prime Minister Recep Tayyip Erdoğan and Minister of Foreign Affairs Ahmet Davutoğlu. In schematic structure of news, these explanations were highlighted on news discourse and also news discourse implied that Turkey directed this process so successful and that is why Turkey got its rightful demands. In addition to this, newspaper gave detailed information about the process to highlight Turkish Government’s success and it also stated that Israel have apologized only two country so far except Turkey.

On 24 March 2013, by publishing so much news about the event on its economy, agenda and foreign news pages; newspaper tried to show its pleasure about the event. The news published on headline with title of “At first compensation and than Ambassador” tells that normalization about relations with Israel, Turkey make Israel accept the compensation for killed people’s families. Beside this, in order to strengthen its news discourse, newspaper used news from international media by making citations.

On 25 March 2013, Hurriyet did not publish any news about the apology but it published a reportage on headline with Israel President Şimon Peres about Turkey-Israel relations. In this reportage newspaper highlighted the relations between Turkey and Israel and it used Peres’s sentence emphasizing to forget past “past is dead” as news spot.

5.4 Discourse Analysis of News Published by YENİ ŞAFAK

On 23 March 2013, newspaper published its first news on first page about Israel apology with using titles of “Turkey made Israel apologize” and “Gazze martyrs reached their goals”. Newspaper produced its discourse according to acceptance of “Turkey forced Israel to apologize”. Moreover, newspaper used photos of 9 people killed in Mavi Marmara and to remind its readers the background of the raid. Newspaper also emphasized Turkey’s diplomatic success against Israel with using subtitles of “Israel also will pay compensation” and “Gazze blockade will be stopped” to produce superiority upon Israel in news discourse. to strengthen this discourse, newspaper also used a photo showing Israel Prime Minister Netanyahu as tearful. Newspaper evidently reflected the event as a diplomatic victory of Turkey and in news discourse it frequently used some kind of word structures such as “Turkey made Israel knell down” to exaggerate situation for news discourse. Newspaper used the word of “martyr” to define victims killed by Israel soldiers.

Newspaper went on to publish so much news about the event on 24 March 2013 in its pages. In one of the news, Yeni Şafak highlighted Erdoğan’s sentence “I did not answer the phone until apology written on official document”. Also newspaper gave a huge place in its news to first reactions of international media. It supported its general news discourse by giving place to explanations of so many academicians about the process and this news was published by using the title of “World saw the power of Turkey”.

On 25 March 2013, newspaper used explanations of vice president of Justice and Development Party Mevlüt Çavuşoğlu. In this news newspaper highlighted Çavuşoğlu’s sentence “Israel’s apology proved our rightful to whole world” as news title and by doing this newspaper embraced news discourse as normal. News discourse was framed according to these explanations and that is why newspaper caused a semantic closure in behalf of news source. During these three days, newspaper published so much news about the apology and it generally embraced a news discourse that highlighted the apology as a diplomatic victory of Turkey and world appreciated Turkey because of this apology. Moreover, in news discourse newspaper so many times tried to legitimize Turkish Government’s policy about this process.

5.5 Discourse Analysis of News Published by ZAMAN

Last newspaper analyzed in the content of the study is Zaman. Newspaper announced the apology on its headline by
using title of “Apology and Compensation from Israel”. Newspaper highlighted acceptance of whole conditions of Turkey by Israel and according to newspaper Obama played a crucial role for this process. Newspaper also emphasized that main reason of agreement between two countries is increase of Iran in Syria and Middle East.

On 24 March 2013, newspaper published different news on its headline with using the title of “Arab World echoed with apology”. In continuation of news inside pages, newspapers gave huge place to explanations of Arab World and in news discourse it was highlighted that Arab World perceived the apology as success of Turkey and Islam world. In news, newspaper used the title of “Spring in USA after apology” and newspaper gave place to explanations of officials form USA to prove USA’s gladness to normalization of Israel and Turkey.

On 25 March 2013, newspaper turned Prime Minister Erdoğan’s explanations into news with using title of “Relations will turn normal if implementations are done”. During three days, newspaper gave a huge place to Israel’s apology and newspaper embraced general news discourse highlighting Turkey’s success against Israel.

6. Conclusion and Discussion

This study tried to analyze the reflections of Israel’s official apology from Turkey for Mavi Marmara raid in Turkish press by using critical discourse analysis. According to analysis, it was found that newspapers from different political, editorial and ideological perspectives used different kinds of discourse to transfer news to their readers.

Cumhuriyet and Sözcü did not pay more attention to Israel’s apology in this process and their news discourse claimed that this is not a victory and Turkish Government did not win anything in this process. These newspapers reflected this process as interests of USA and Israel and according to their news discourse Israel did not apology inherently from Turkey. Yeni Şafak and Zaman published so much news during this process and also news highlighted the process as diplomatic victory of Turkish Government. Especially, Yeni Şafak published so much news to show this process as victory of Justice and Development Party Government.

Hürriyat published so much news and it designed its news discourses on the acceptance that this is a victory of Turkish Government and this process will normalize the relations of Turkey- Israel.

In this study five different newspapers from different ideology were analyzed and although this is a national problem, newspapers generally tried to reflect their own ideologies. This situation proved and supported hypothesis of the study.

References


Do Budget Deficits Cause Inflation? Evidence from Albania

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Abstract

The basic purpose of this paper is to analyze this relationship among budget deficit and inflation for Albania. As many cases in history have shown that fiscal imbalances result in inflation problems. Empirical studies indicate strong evidence that budget deficits financed through monetarism and a rising money supply lead to higher inflation. The effect of budget deficits to cause inflation is depended on the means by which it is financed and the impact on aggregate demand. In this paper, the budget deficits and inflation relationships are studied by using data’s of Consumer Price Indexes and Budget Deficits of Albania. Data for the time period 1996-2008 are taken for into consideration. The dependent variable is CPI. To find the empirical evidence on these data regression analysis is used.

Keywords: Budget deficit, Inflation, Money Supply, Albania

1. Introduction

Government participates in the economy as a producer and as a consumer. Firstly, the government provides public goods and services. As a producer, the government focuses on the field of services, for example, national security, regulations, medical care, etc.. To carry out its activity the government collects revenue for its budget, the main part of which is occupied by taxes. But, when expenses exceed revenues the government covers its costs by borrowing. It can also use another way to finance the budget deficit by issuing money, but this approach is associated with consequences act as a tax burden through inflation growth. During the last 30 years budget deficits have been a widespread phenomenon in the world. This has been based on various factors but what are of interest to our analysis are the effects of budget deficits.

Public Debt expresses the full amount of loans taken to finance the annual deficits, which represents the cumulative budget deficits from one year to another. Budget deficit represents the debt of any given year, while public debt represents all debt in a given period, so accumulated debt of all periods.

Main arguments against budget deficits and public debt:

- Deficits and private investment: When the government borrows to finance its deficit it may reduce the funds that businesses can use to invest and expand their capital. Smaller investment means less new real capital, less jobs, less growth in labor productivity and less personal income growth.
- Large deficits can lead to higher interest rates: To finance budget deficits the government may borrow from the same institutions that private firms do: banks, foreign lenders etc.. When the government borrows large amounts it significantly increases the demand for credit funds and it may raise interest rates.
- Deficits and inflation. The government can simply print money to finance higher deficits and pay off debts. This would increase the amount of money in circulation faster than the quantity of goods and services to which the money should be spent. Therefore this would cause inflation.
- Annual interest payments on public debt have been rising. This is true for many countries including Albania. If deficits do not decrease the interest payments will increase, so the budget deficits will increase even more.

2. Literature Review

According to Bruno (1995), a high rate of inflation is always accompanied by serious imbalances in public finances. According to him, a detailed analysis shows that, in all cases of inflationary crisis, the country showed large budget deficits before the crisis, still more pronounced during the crisis and clearly below the average during the post-crisis recovery. Empirical observation confirms monetarist proposition that budget deficits contribute to the growth of the money
supply, and excessive creation of money is responsible for inflation. According to Montiel (1989), supporters of the budget approach, and in particular Milton Friedman, support the idea that inflation is always and everywhere a monetary phenomenon. Theoretical contributions by Sargent and Wallace (1981), Dornbusch (1985 and 1992), Butler (1984), van Anand Wijnberge et al (1987 and 1989), Dornbusch and Fischer (1989), have shown that "the monetary mass permanent expansion essentially arises from budgetary imbalances." However, empirical work does not always lead to this conclusion. Barro (1978), it is more public spending growth that increases the money supply, rather than the amount of government spending. Barro (1978), it is more public spending growth that increases the money supply, rather than the amount of government spending. Barro (1978), it is more public spending growth that increases the money supply, rather than the amount of government spending.

**Ambiguity of a link between money supply growth and public finance imbalances continues in works dedicated to other developed economies.** Thus, Kolluri and Giannaros (1985), and Protopapadakis and Siegel (1986) have tested a model similar to that of Barro for ten industrialized countries. They did not find a significant relationship between budget deficit and money supply growth. On the contrary, for the same sample of countries, Blundell and Chouraqui (1981) find that the acceleration of the growth of money supply corresponds to a certain number of countries with the implementation of expansionary budgetary policies. Contradictory results have been well received by researchers in developing countries. The main reason economists do not bring out significant positive relationship between the amount of public finance imbalances, increasing the money supply and the inflation rate is the way of financing the budget deficit. As a rule, the sale of public debt securities to non-bank private sector or external funding (in the case of floating exchange rate) provides non-monetary financing of the budget deficit. Modigliani (1987) argues that the link between budget deficits and increasing amounts of money is clearly false, at least for economies with a reasonably developed financial system. This relation also depends on economic agents' expectations about future government policy.

Contrary to a good idea spread, according to which bond financing is not inflationary as it's funded through stable savings, Sterdyniak (1983) states that, by diverting savings away from productive investment, the financing of the budget deficit increases interest rates. McCallum (1983) does not find evidence in theory according to which budget deficit does not create inflationary pressures if it is financed through bonds. Sargent and Wallace (1985) have highlighted the inflationary character of the bond financing of budget deficits.

However, it is certainly accepted that monetary financing is inflationary because it causes an increase in the money supply. Thus, in many developing countries and / or countries in transition, inflationary pressure differs from that observed in industrialized countries and / or countries in rapid expansion, due to the important role played by budget deficits, limited development of the domestic financial markets, as well as restrictions on the use of external financing. Due to the narrowness of the domestic financial markets, financing through money creation remains a privileged or last, through which Treasury can get the necessary funds. Chronic hyperinflationary and inflationary pressures are prevalent in many countries that have large budget deficits monetized. Hyperinflationary experience of Central European countries in 1920, that of Greece and Hungary, at the end of World War II have shown that substantial budget deficits are financed mainly through cash. According to Sachs and Larrain (1993) Origin of extreme inflation rates in many Latin American countries lies mainly in continuous and very high budget deficits, so that their funding has also been provided through cash. A recent analysis of twenty-one countries in transition shows that monetary expansion has played a determining role in relation to the rate of inflation (Coorey, Mecagni, and Offerdal, 1998).

### 3. Financing of Budget Deficit in Transition Economies Effect on Money Supply

The government can finance the budget deficit through the advances of the Central Bank or through the sale of public securities. Purchase of public securities by the Central Bank or the provision of a direct loan to the state increases the money supply at the amount of loan obtained by the monetary authority. The government account it is initially increased when it is funded by the Central Bank. But, as these resources are expended, the amount of the debt is partially transferred to the commercial banks. Then, depending on the behavior of commercial banks in the composition of their portfolio, a "medium" monetary mass expansion can occur through the credit multiplier.

Monetary impact of budget deficit financing through commercial banks will depend on whether direct loans or buying Treasury securities will swell public banks portfolio or if they will replace the other assets in the portfolio. If the assets of commercial banks other than loans to governments remain unchanged, a global growing of balance sheet of commercial banks will be. As a result the purchase of public securities or providing a credit to the state increases the money supply in the broad sense by the amount of loans received from the Treasury. However, unlike what happens in the case of a financing by the Central Bank, no increase in the monetary base will occur firstly.

If, on the contrary, banks keep their balance intact or if they do not have excess liquid reserves, other assets, especially lending to the economy tends to be reduced in proportion to their supplementary assets in public securities. Then, in the portfolio of commercial banks, it is a substitution of securities to credit to the economy. If refinancing...
conditions are very strict in public securities, all increase of their public portfolio securities will occur at the expense of
credit to the economy. In this case, money supply does not increase and the monetary base does not change. If, on the
contrary, there is a use of the Central Bank refinancing of commercial banks to the amount of securities purchased or
public lending of the state, an increase of the money supply in broad sense occurs.

Bond financing of budget deficits provides a relatively non-monetary financing of the public finance imbalances. Purchase of securities by non-financial agents, households, businesses and financial institutions outside the banking sector, affects neither the monetary base nor money supply. Which means effectively a simple transfer of property assets of the private sector in public administration and vice versa, when the funds are spent by the latter.

Public securities purchases by non-resident financial agents reduce the amount of deposits and bank reserves, and the bills in favor of increasing the Treasury account at the Central Bank. But when re-sources are spent by the Treasury, is not just an increase in bank deposits and reserves, as well as bills in favor of non-financial agents. However, the sale of public securities in the non-banking private sector can cause upward pressure on interest rates. In fact, in order to attract funds, the Treasury can offer higher interest rates. Increasing interest rates diverts the funds of private sector to the public sector, and will cause a decline in private spending and, in particular private investment. Consequently, private borrowers risk having to use even more banks in order to cover their needs for funding. Should that be the case, there would be no difference between the budget deficit financing by the banks and the assured through non-banking sector. Impact on monetary measure depends on the attitude of the Central Bank in relation to interest rates and giving commercial banks' liquidity. In both cases, the monetary authority intervention will be achieved by increasing the monetary base and money supply in the broad sense.

Loans contracted by the public sector abroad, do not affect the monetary mass, but to the extent that does not result in an increase in cash assets held by the private non-banking sector. This assumes that the monetary authority intervenes in the exchange market by issuing national currency against product of external debt denominated in foreign currency, in the case of fixed or administrated exchange rate regime. In contrast, in the case of a floating exchange rate regime, there is no impact on the monetary base or the monetary mass in a broad sense, as the authorities do not intervene in the exchange market.

4. Methodology and Results

The regression model comprises the independent variables and the dependent one. To test the relation between inflation and budget deficit for Albania, to prove if there is evidence in concluding that the budget deficit causes inflation the budget deficit to gross domestic product GDP at current prices ratio and annual change in consumer price index CPI are used. The independent variable of the model is inflation rate, whereas the dependent one is budget deficit to gross domestic product ratio BD. Data used are taken from the Ministry of Finances, Bank of Albania, and Institute of Statistics. The model equation is:

\[ \Delta CPI = \alpha + \beta BD + \varepsilon \]

The Regression results are:

<table>
<thead>
<tr>
<th>Summary Output</th>
<th>Regression Statistics</th>
</tr>
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<tbody>
<tr>
<td>Multiple R</td>
<td>0.681712836</td>
</tr>
<tr>
<td>R Square</td>
<td>0.464732391</td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.42355796</td>
</tr>
<tr>
<td>Standard Error</td>
<td>0.081055149</td>
</tr>
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<td>Observations</td>
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<th>SS</th>
<th>MS</th>
<th>F</th>
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<tr>
<td>Regression</td>
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<td>0.074154</td>
<td>11.28692</td>
<td>0.005125</td>
</tr>
<tr>
<td>Residual</td>
<td>13</td>
<td>0.085409</td>
<td>0.00657</td>
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<tr>
<td>Total</td>
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</table>

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standard Error</th>
<th>t Stat</th>
<th>P-value</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
<th>Lower 95.0%</th>
<th>Upper 95.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-0.091265897</td>
<td>0.0512614</td>
<td>-1.7804024</td>
<td>0.0983792</td>
<td>-0.2020094</td>
<td>0.0194776</td>
<td>0.0194776</td>
</tr>
<tr>
<td>BD</td>
<td>2.347533034</td>
<td>0.6987536</td>
<td>3.3596007</td>
<td>0.051252</td>
<td>0.8379677</td>
<td>3.8570984</td>
<td>3.8570984</td>
</tr>
</tbody>
</table>
Hypothesis: Budget Deficit effects inflation rate.
From the results we derive the model equation as:

$$\Delta CPI = -0.091265897 + 2.347533034 \times BD + 0.0512614$$

The R Square is 0.464732391 which shows that the relation between inflation and budget deficit is not very high, so budget deficit is not a strong determinant of inflation in Albanian case. The quality of data and its amount may be negative factors to these results. The Coefficient is 2.347533034 which means for every unit increase in Budget Deficit the Inflation would increase by that amount. The significance of 0.005125 shows that the model is significant.

Table 1: CPI and Budget Deficit in Albania

Table 2: The Linear Regression

5. Conclusion

The researchers conducted show that the government policies toward public debt and budget deficit do not affect very much the monetary variables, as most of the Central Banks are independent from the government and do their policies independently of the government one. As one the goal of one central bank is to maintain price stability, they will not use issuing money to finance the government debts. Strong evidence between inflation and budget deficit is only found in those countries where the government does also the monetary policy of the country.

The result of the regression analysis conducted showed once more the above mentioned. In the case of Albania there was no strong evidence of this relation. The Bank of Albania being an independent institution from the central government does compose the monetary policy of Albania having as its main aim the Inflation Targeting. So the inflation in Albanian case is controlled by the central bank to maintain a range of 2 to 4 percent.
References

Montiel P.J. (1989). Empirical Analysis of High Inflation Episodes in Argentina, Brazil and Israel, IMF Staff Papers, 3(36), 527-549.
The Impact on Electronic Commerce Activities of SMEs: 
A Study of the Turkish Automotive Supplier Industry

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Abstract

This study aims to investigate the issues of electronic commerce activities in small and medium sized enterprises as a consequence of organizational change initiated by the adoption of information technologies. The fundamental issues influencing electronic commerce practices of SMEs are their insufficiency of cognitive learning and organizational strategy, financial and distribution problems specific to SMEs, limitations of supply chain management, reluctance of organizational culture for electronic change, problems of information technologies usage, insufficiency of human resource, resistance of top management to organizational change as required by the adoption of information technologies, integration problems of new technologies with the existing systems, lack of confidence on the side of customers towards electronic commerce. A study of the Turkish Automotive Supplier Industry has revealed that electronic commerce has been adopted and its benefits are accepted. However, the industry has to overcome some technical and managerial difficulties to implement it more efficiently and effectively.

Keywords: Electronic commerce, SMEs, automotive supplier industry, information technology, integration problem, organizational culture, cognitive learning, Turkey.

1. Introduction

In societies where commercial competition is accepted as an economic system, there is a close relationship between the healthy operation of the system and the existence and power of small and medium sized enterprises (SMEs) within the system. Most SMEs positively contribute to the system since they can fulfill several functions not achieved by large enterprises (MacGregor, 2004, p. 10).

SMEs are not merely economic elements; they also have vital roles in social life. Because of the fact that SMEs spread to a large area in the country, they act as a critical power in lessening regional developmental differences, spreading ownership to a vast area, creating and sustaining employment opportunities, and keeping democratic life alive. Currently, SMEs play a fundamental role in terms of employment and macro-economic balance by increasing their shares in global economy and thus enabling high levels of employment. Overall contributions of SMEs to the economy can be outlined as the following: (Kleindl, 2000, p. 75; Walczuch et al., 2000, p. 568):

- Depending on labor intensive work and efficiency in resource use, they contribute to creating employment opportunities and lessening unemployment nationwide.
- They adapt quickly and comfortably to demand changes and variations.
- They help to balance income distribution.
- They enable making decisions quickly. Since they are mostly structured as family companies, there is a tendency to make centralized decisions (Evans and Wurster, 1997, p. 72).
- In the long run, they are in a position to become manufacturers of the inputs and intermediary goods of large industrial enterprises.
- They are flexible and supportive of innovations.
- They are effective in improving life quality by providing opportunities for the socially and politically disregarded labor force, raw materials and financial sources to operate by smaller investments (Levy et al., 1999, p. 249).
- They acquire a critical role in transmitting small funds and family capital directly to investments.
- Through manufacturing inputs such as raw materials, intermediary materials, and semi-finished products consumed by large scale enterprises, they contribute to their development and also the national economy.
• They contribute significantly to increasing regional employment opportunities since they are labor intensive; therefore prevent migration from small cities to big city centers and construct a base for self development of the region within its own potential.
• By positively affecting income distribution, preventing the accumulation of capital in the hands of large industrial organizations or a minority, they increase societal income both functionally and regionally.

SMEs are also effective in providing new ideas and inventions and adopting new technologies (Kleindl, 2000, p. 76). New technologies enable SMEs to perform more creatively and flexibly with lower costs. Small enterprises are effective in transferring various technologies to national economy and in the process of modernization traditional technology or adaptation to the transferred technology; they act as a bridge between new and traditional technologies (Evans and Wurster, 1997, p. 74). On the other hand today, the rapidly increasing automation and demand for more qualified employees force SMEs to adopt new technologies. SMEs face difficulties, basically due to lack of sources, in following new technologies, acquiring technological materials, finding and employing qualified technical personnel to implement new technologies. Qualified employees generally prefer job security of large enterprises, corporate reputation, and high salaries.

The ability of SMEs to survive in a highly competitive environment depends on the extent and speed in activating the changes that will make their products and / or services noticeable and preferable. As SMEs achieve these goals in establishing and sustaining enterprise’s relationship with the outer world by benefiting from the opportunities of technology, they make use of information technologies and its elements. At this point electronic commerce is helpful in achieving innovations and improvements rapidly and safely (Hawkins and Prencipe, 2000, p. 24).

2. SMEs and Electronic Commerce

While globalization and technological changes create new opportunities for SMEs, at the same time they create new risks and threats. It is considered that SMEs, due to their flexibility, can meet customer expectations more quickly and they are more advantageous than large enterprises in utilizing electronic commerce (Dandridge, 2000, p. 87; Daniel et a., 2002, p. 261). Because of competition and pressures of software providers and system integrators, several SMEs search for new ways to increase their market shares by implementing electronic commerce solutions. Besides, while large companies already have necessary personnel and financial sources to implement electronic commerce, capital limitations of SMSs restrict their investments for electronic commerce (Stansfield and Grant, 2003, p. 16).

On the basis of discussions so far, it is possible to summarize the contributions of electronic commerce to SMEs as the following. Electronic commerce enables SMEs to enter new markets and thus competition gains impetus. Since it speeds up operations and lessens demand for labor, it decreases costs. As it provides effective communication between buyers and sellers, it helps to improve service and product quality. Enhancing data share it contributes positively to the efficiency of work processes and overall economy (Eikebrokk and Olsen, 2007; Van Beveren, 2002; Levy et al., 1999).

Generally speaking, all of the contributions listed above can be deemed convincing. For instance the fact that with a lower investment SMEs can reach the markets which they can never attain through other ways seems rather feasible. Yet when this issue is discussed elaborately, the matter surfaces in a more complicated manner. Quite probably SMEs will face a difficulty in employing qualified human resources that can develop the information system within its own structure. In that case, the enterprise will be forced to employ people / companies out of the enterprise for the sales website. Employing people outside the enterprise makes it difficult to have a flexible and expandable performance applicable in their own sector. The fact that system is established / organized in a separate location will bring drawbacks in terms of updating and securing commercial safety (Dans, 2001, p.77). As it is illustrated in this scenario, several cultural, economic and commercial reasons may hinder SMEs’ electronic commerce performance. Let aside all these points, it is not for certain that even a well prepared website – or other digital tools, can immediately find a market or open inaccessible markets (Liew, 2009, p.17).

Successful implementation of electronics is related to a multivariate and complicated process, which is connected with social and economic elements as much as with technical, technological, physical and legal infrastructure. In this section, the objective is to comparatively analyze the factors that affect / prevent SMEs’ successful implementation of electronic commerce activities and to discuss sample cases unique to several SMEs operating in different sectors.

3. The Effects of Electronic Commerce Applications in SMEs

Electronic commerce provides important opportunities to SMEs in reaching new markets and competing with rivals.
Virtual shops on internet enable SMEs to reach distant markets by offering an effective and economical marketing channel. Therefore SMEs obtain a chance to enter global markets without necessitating high investments and expenditures and offer inexpensive, fast, and high quality products in these markets (Evans and Wurster, 1997:77). On the other hand product development and marketing processes are shortened in SMEs, where electronic commerce is actively used. In the past, thanks to the application of information technologies, SMEs that followed / copied large scale enterprises, obtained critical time advantages in product development and marketing processes (Heijden, 2000, p. 41; Walczuch et al., 2000, p. 570; Levy et al., 1999, p. 252; Coppel, 2000, p. 17; Porter, 2001, p. 67).

Regardless of the fact that electronic commerce contains in itself various advantages for SMEs, still it is hardly possible to assert that SMEs make enough use of electronic commerce. Researches on this issue reveal that SMEs generally use Internet as a basic communication means and regard it as an alternative communication tool that cuts off costs more than traditional communication mediums such as fax and telephone (Kleindl, 2000, p. 78; Fisher, 2000, p. 61; Soliman and Yousef, 2003, p. 548).

It is clear that job opportunities for electronic commerce provided to SMEs vary at different levels for each sector. Among the reasons, there are the type of commerce, technological infrastructure of the country, Internet utilization ratio, and cognitive literacy. Within this scope it is crucial that SMEs take into consideration several factors effective in their investments for electronic commerce. These factors can be outlined in general as the following issues (Liew, 2009, p. 25):

- **Target market and geographical region where business is concentrated:** Today a great majority of SMEs produce for national markets and most of the exporting enterprises also have domestic market oriented commercial expansion. Orienting towards foreign markets by using electronic tools and methods renders it a requisite for an enterprise to change its basic job performance applications such as product marketing, managing customer relations, and securing after-sales customer assistance (MacGregor, 2008, p. 47).

- **Products and services offered through electronic channels:** Enterprises in developed countries have required infrastructure and sufficient experience in selling products and services through electronic commerce. Electronic commerce can be effectively activated particularly in service industries, where information provides significant added value.

- **Internet based commerce opportunities and compatibility of production chain systems as business development method:** A good deal of industrial products may not be suitable for direct sales on Internet. The reasons may be specified such that seller has a limited number of buyers with web page access, physical contents of product, specific features of product, or restrictions for marketing. Considering the fact that enterprises will keep on using traditional marketing and distribution methods, holding a position on web and catalogues, being a part of commercial opportunities and presentation chain webs can be valued as supportive services for commerce (Van Beveren, 2002, p. 253).

A research - Digital Marketing Compass - conducted in the beginning of 2009 focused on substantial investments, budget plans for future, and attitudes concerning electronic marketing of the total 783 decision makers. In Digital Marketing Compass, unlike many studies on electronic marketing, it has been pointed out that not only "large scale" companies, but also SMEs increased their electronic marketing investments a significant amount. According to the research, various opportunities provided through electronic marketing is generally known well by SMEs and used appropriately. In 2008 web based marketing utilization was 32%. The most striking outcome of this research is related to the orientation of SMEs towards international markets. Electronic based marketing activities of export-oriented SMEs were ahead of traditional marketing methods in 2008 (http://www.ogilvy.com.tr/digitalmarketingcompass/).

- **Cost and suitability of Internet access / hosting services:** Under the condition that Internet access costs are reasonable, enterprises will more extensively use electronic mail, which is faster and less expensive than communication by telephone and fax. Besides, the costs of creating and supporting a website increase in line with the contents of site and the level of applied technology (Sadowski, 2002, p. 80; Quayle, 2002, p.1151).

- **The cost of accessing data for the market and potential partners:** Private websites offering commercial data perform this mission in return for a certain price, which may be unaffordable for some SMEs. However, most public institutions provide supportive information for commerce free on Internet. Sustaining these services and reducing the cost of paid services in the long run will help SMEs to detect their target markets, access reliable data concerning their partners, determine the correct distribution channels, learn legal and regulative rules, reach financial sources, risk management, and logistic services (Colombo, 2001, p. 179).

Moreover particularly for SMEs with a unique product and operation model, it will be possible to finance electronic commerce investments in a short period. Because the extensive size of the market achieved through electronic commerce provides a market these enterprises can never reach with the help of traditional methods. Freeing themselves from the obligation of being local can create a global-scale breakthrough for companies with the best product and business performance (Stansfield and Grant, 2003, p. 17).
4. The Problems Affecting Electronic Commerce Activities of SMEs

The basic problems affecting electronic commerce applications of SMEs are inadequacy of cognitive learning and organizational strategy, financial and distribution problems specific to SMEs, restrictions in supply chain management, reluctance of organizational culture for electronic transformation, problems in the application of information technologies, lack of qualified personnel, resistance of top management toward organizational transformation necessitated by applying information technologies, integration problem of new technologies with available systems, customers' lack of trust towards electronic commerce, and their worries concerning privacy (Vinberg, et al. 2000; Oyelaran-Oyeyinka and Kaushalesh Lal, 2006).

Jenko (2003) believes that one of the most important problems SMEs face in electronic commerce activities is “automatic success deception”. According to Jenko, many SMEs have automated several aspects of their work processes through websites and are convinced that success will come automatically (2003). Varianini and Vaturi (2000) have found out similar causes for the problems affecting digitalizing process of SMEs such as to sustain a fixed market information flow, not possessing a flexible organization structure, not detecting clear targets, and lack of safety and integration. Parhoomand and Lovelock (2001) also, has discovered numerous negative elements affecting electronic commerce in SMEs such as poor income / outcome / profit model, lack of competition advantage, insufficiency in providing benefits to customer, organizational problems, and the conflict between website and current business partners.

As stated by Kshetri problems affecting electronic commerce negatively are mostly concentrated on economic and social areas (2007, p. 446). Economic problems can be outlined as low level of information technology applications, inadequacy of Telecom infrastructure, lack of capital, low level of credit card usage. The social problems are low level of cognitive literacy, foreign language (mainly English) insufficiency, promotion and marketing problems of local websites.

According to Kshetri the problems affecting electronic commerce can be categorized under three groups such as pre-electronic commerce, in electronic commerce processes, and post-electronic commerce (2007, p. 447). Pre-electronic commerce problems are mostly related to the adequacy of a country's cognitive infrastructure. Credit card usage nationwide and financial problems are observed in the electronic commerce process phase. Post-electronic commerce problems are distribution infrastructure and after-sales services. Within a macro point of view, Kshetri bases this grouping mostly to the technical problems associated with information infrastructure of countries. Peterson et al. (1997, p. 337) classify problems in electronic commerce as financial, legal, infrastructure, safety, customer privacy, protection of intellectual and industrial rights, problems faced during delivery, and customs operations. Dornan (2001, p. 27) on the other hand groups problems affecting electronic commerce just like Peterson et al.

While some authors point out that in electronic management activities of SMEs, efficiency of non-commercial based transformation will increase, traditional commerce will at the same time affect / delay / repress the development of electronic commerce activities (Heinen, 1996; Chaffey, 2007, Li, 2006; Chen and Siems, 2001; Sadowski, 2002). Some authors advocate that the development of electronic commerce in the entire organization will be experienced faster at the end of e-commerce based transformation process (Jelassi and Enders, 2008; Bayles, 2001; Strader and Ramaswami, 2002).

According to McGregor and Vrazalic in terms of adopting electronic commerce, SMEs can be categorized into two groups such as potential adopters and non-adopters. The non-adopter group cannot use electronic commerce due to internal causes of enterprises and external causes related to technological, economic, politic, legal, social, and cultural problems (2006, p. 7). Kapurubandara and Lawson advocate that in overcoming these obstacles methodologically “decision taking” and “adoption” processes take place (2006, p.2). Stockdale and Standing categorize all the factors under four main groups such as “lack of resources and data, skill levels of employees, safety issues and preparation of small enterprises” (2004). Kurnia and Johnson include supply chain structure in this grouping as well (2000). In Table 1, it is possible to summarize the different views mentioned above.

Table 1. Review of Literature

<table>
<thead>
<tr>
<th>Problem</th>
<th>Authors</th>
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<td>hardware/software cost of Internet technology.</td>
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SMEs’ family company structure and lack of institutionalism.

While SMEs have development necessity in a short term, the fact that electronic commerce acquires its feedbacks only in the long run.

Low level of cognitive literacy among employees and resistance.

Preferring traditional methods such as telephone, fax, and face-to-face communication.

Safety problem of electronic commerce.

Lack of integration among customers, suppliers and business partners who all have critical roles in implementing electronic commerce.

Lack of adequate trust towards external consultancy firms.

Deficiency of electronic commerce standards.


Lawrance (1997) and McGowan and Madey (1998)


Hadjimonolis (1999), McDonagh, (2000)


In this study, we evaluate the problems affecting successful electronic commerce applications of SMEs – as it is widely accepted in relevant literature; under two groups such as cultural and technical problems (Rowley, 2002; Warren and Hutchinson, 2005; Gottschalk, 2005; Combe, 2006).

5. Cultural Problems

5.1 Top Management Support:

Management support is the driving force in electronic commerce applications in corporations. According to Delone top management support is the most crucial factor for information technology applications in SMEs (1988). In particular, without the support of top management in decision-making process, it is not possible for SMEs to realize structural and technological transformation in electronic commerce by making required decisions and moreover without their support, any initiative regarding this matter may become unsuccessful (Grandon and Pearson, 2004).

5.2 Imperfect Entrepreneurship:

Social habits originating from the past of a country are among the main factors determining the implementation speed and form of new technological developments. These habits, which determine the confidence of people to their environment and economy, particularly to money earning process, are also basic causes lying behind economic differences among countries.

5.3 Unsuitability of organizational culture for electronic commerce:

One of the potential problems almost any organization aiming electronic commerce implementation is that organizational culture may not be suitable for organizational transformation necessitated by electronic management. Technological transformation and electronic business environment as required by electronic commerce will cause vital changes such as developing infrastructure and training activities compulsory particularly for organizations where bureaucratic work is dominant (Chen, 2004).

5.4 Ambiguity of benefits:

Another problem for SMEs is the ambiguity of benefits that will be gained through electronic commerce implementation.
Since electronic commerce is a recent phenomenon, it is hard to compare successful examples of SMEs. Small enterprises in particular are inclined to be more influenced by tangible practice results rather than theoretical knowledge.

On the other hand, although it can be possible for almost any field, electronic commerce may have high success in certain products but low in others. For instance in intangible goods such as music, software etc. that can be easily transmitted from one place to another through websites, electronic commerce provides numerous advantages. However, for products which are hard to be transmitted physically, the advantages of electronic commerce are relatively limited (Levy et al., 1999, p. 244).

5.5 Innovativeness and insufficiency of innovation management

According to Zhao, similar electronic management applications that have become widespread in companies decrease the effectiveness of competition tools. They seriously differ from traditional business models, and their advantages and similarities reduce benefits of suppliers and customers (2006). Since innovation strategies in electronic management applications will provide quick and flexible dynamism necessitated by the demands of shareholders and electronic transformation, SMEs will have to prioritize their innovative activities (Singh and Waddell, 2006).

5.6 Difficulty of changing shopping habits:

This problem is particularly valid in countries where traditional life style is dominant. Transformation in shopping habits takes place at a slower pace than economic commerce development of any country. It is common that people prefer to buy from people they already know after seeing and touching goods. Shopping from a virtual environment, not knowing the nature of the product or its delivery conditions may not be quite acceptable for some people.

On an Internet shoe seller zappos.com established in 1999, there are more than 3 million pairs of shoes. One of the most important features of this company which ensures 365 day refund guaranty is its free cargo service for both customer deliveries and returns. Seventy-five percent of all orders come from satisfied customers. Following his / her first shopping a customer makes 2.5 times more shopping in the next 12 months after the first order. Forty-three percent of the recently gained customers are from WOMM (word of mouth marketing) process. They provide a toll-free call line. Unlike other big e-commerce sites (Amazon, overstock, e-bay etc.) they place their number on each page. If their product does not meet the requirements of customers, they recommend other competitor sites. So far none of its customers, by providing their name or no name, has made any complaints (www.zappos.com).

5.7 Locality:

For enterprises, one of the most significant economic developments introduced by Internet is the expansion of local markets to a global scale. Economic activities such as web-based advertisements, promotions, job offers, marketing activities, and sales are accessible for any Internet user enterprise and customers. Thus, it becomes easier for enterprises expanding towards foreign markets to sustain and enlarge their activities. Besides it is regarded as an opportunity not to be missed for medium and small sized enterprises, which have fully utilized foreign market potential (Reynolds and Mofazali, 2000; Combe, 2006).

6. Technical Problems

6.1 Inadequacy of human resources:

Human resources management approach and its applications have now become effective in a new field described as electronic human resource by the influence of information technologies. Basically electronic human resource concept means supporting human resources management approach by a new structuring in the electronic environment. It is viewed as a way to support human resource oriented strategies, policies, and applications through Internet based channels (Williamson et al., 2003, p.247).

As an outcome of current use of information technologies in enterprises, new employment opportunities emerge in the relevant sectors, and demand for expert technology personnel increases in return. However, throughout the world parallel to the fast development of electronic commerce, new job opportunities and demand for human resource increase, but the supply of qualified human resource does not grow at the same pace (Lai and Chen, 2009).
Electronic commerce applications require changes in the commercial and organizational structures and qualifications of personnel. In several countries, lack of information personnel has turned out to be a critical problem. Although it is early to make a guess on the future demand for qualified labor force, it can be regarded as an indicator that of all the personnel working in electronic commerce related enterprises, an average of 45-50% are employed in sales and marketing, 25-35% in research-development, and the rest in management, finance, and other areas (Zerenler, 2007, p. 223).

6.2 Insufficient marketing strategies:

The popularity of electronic commerce as a business medium is related to the capacity of Internet, namely its future potential, its attractive qualities, its dynamism in providing global share of information and resources, and Internet’s power in offering an effective channel of advertisement, marketing and direct distribution of certain products and/or services. In his book titled “Supra-Competition” Edward de Bono states “despite everything you must not fall behind your rivals otherwise you cannot sustain your presence. Price, quality, product differentiation and setting special markets are all traditional mediums serving this objective” (1994, p. 27). Indeed, enterprises competing in today’s modern world are obliged to implement electronic based marketing activities, which have turned out to be a necessity rather than an advantage in competition that is becoming increasingly violent and different. Thus in such an environment where even electronic commerce is dedifferentiated, followed, and imitated by rivals, differentiating electronic marketing to adapt them to the basic qualities of enterprise would reply to the predictions of Bono, namely being supra-competition.

Electronic marketing is regarded as a revolutionary tool transforming all business processes of enterprises. Electronic marketing also, causes transformation of the traditional market structures (Calin et al., 2001, p. 36). The central role of this transformation belongs to Internet. Internet’s progress is the most vital determinant of electronic marketing development. In addition, electronic marketing transforms purchase decision process of buyers as well. As buyers get involved in electronic marketing, they catch a chance to examine more options than traditional markets and thus able to make quicker decisions.

The fact that electronic commerce is full of opportunities for enterprises and it has risk minimizing quality account for the reasons not to be used. The answer for the question how to use and how to make the best of it, is related to strategy formulation. Fearing that other enterprises will seize their own markets through Internet and planning the cost of not using Internet as a defense reflex, several enterprises choose to find methods to use Internet more effectively. To achieve this end, conscious application and marketing strategies unique to Internet use should be developed (Zerenler, 2007, p. 267). If electronic commerce or cognitive business processes are, above all, established on the information bases of sector and markets, then these enterprises starting business without sufficient pre-researches may face failure. To make a right start, it is a must that enterprises planning to operate in this field should conduct pre-researches and also forms the required information infrastructure.

6.3 The size of enterprise and lack of knowledge:

Parallel to the phase of entering information based economy, for the purpose of adapting SMEs to the new work conditions introduced by this economic system, both national governments and international corporations initiated activities to inform enterprises about electronic commerce. A great majority of relevant literature points out the fact that in most countries, except USA, a great portion of SMEs is not yet totally aware of electronic commerce benefits (Coppel, 2000, p. 71). On the other hand, some authors hold the view that enterprise size also, has an effect over cognitive literacy and electronic commerce competency. As the enterprises get smaller in size, it is witnessed that Internet use that constitutes the base of electronic commerce falls backward. According to a research conducted by Levy et al., in enterprises with more than 1000 workers Internet usage ratio reaches to a level of 42%, whereas this ratio decreases to 14% for SMEs employing 1-49 workers (2001, p. 135).

6.4 Inability of managing technology:

Selecting the technology required by SMEs to achieve their strategic and short-term goals, planning the required technology applications, deciding for transfer or manufacturing and realizing the activities for implementing this decision within the framework of a plan and program are among the basic activity issues of technology management. Strategic technology selection and goal-oriented work planning will ensure successful application of technology management.
Although electronic commerce offers wider range of opportunities for enterprises where information technologies are intensively implemented or manufactured, the very same advantage is hard to be viewed in the sectors far away from these technologies. In short, sector features may be restrictive in electronic commerce applications (Zhao, 2006, p.47).

6.5 Language and cultural elements:

In the Internet environment, making it possible to access resources from all over the world, it is observed that language and cultural elements also demonstrate significant effects. Although 70% of Internet contents are in English, half of Internet users do not understand English. Still as stated by Coppel, even without this language problem, customers are more eager to shop from websites in their native tongue (2000, p.21).

English that is spoken like a native language in almost any international activity is dominant in electronic management operations as well. Yet companies marketing to regions where Spanish, Chinese, and Urdu languages are common should direct their marketing activities by taking regional languages into account.

Aside from the language problem, cultural elements also greatly affect electronic commerce activities of SMEs. Since many visual elements from colors to symbols present cultural differences among societies, many SMEs willing to benefit from global nature of Internet encounter difficulties.

6.6 Infrastructure and Environmental Problems:

The foundation of electronic commerce is structured over communication infrastructures and information technologies. Particularly in developing countries communication costs are high and technological infrastructure falls short. High communication cost is one of the most important problems in electronic commerce applications. Generally, it is possible to comment the following suggestions for solving infrastructure problems (Reynolds and Mofazali, 2000, p.81-83; Chen, 2004, p.161):

- Telecommunication infrastructure should be improved; and it should be possible for SMEs to benefit from these services in private.
- All forms of electronic commerce; particularly commerce through Internet, can be conducted by providing information flow through communication infrastructure. In cases where only Internet centered structuring is an issue, potential cutbacks and problems on Internet may cease commerce. Hence, alternative connection forms should be structured.
- The obstacles keeping communication and markets of information technologies away from competition should be abolished.
- Technical standards in communication should be determined.
- Environment of confidence should be established for service providers, users, and consumers taking place in electronic systems and operations.

6.7 Connection problems:

Connection problems are among the most frequently faced obstacles on Internet in electronic commerce applications. This problem, which does not merely restrict electronic commerce but all types of Internet use, is a deficiency causing information access efforts to become fruitless (Nusair and Hua, 2009).

There are attempts to simplify Internet connection and increase the access speed of countries. Failure to provide an effective infrastructure and telecom activities, which are public in many countries, restrict the operations of private sector. Restricted activities introduce high costs, poor quality yet costly access options. Recently the attempts to enable access through satellite and improving the present options by using high quality cables have been speeded up by private sector.

6.8 Legal problems:

Legal problems are the foremost reason critically determining the transformation of electronic commerce implementation into a global structure. Many issues such as the validity and binding of a computer based contract, validity of data kept in computer environment and their power of evidence, validity and applicability of digital signature, protection of intellectual and artistic works on Internet environment, legal recognition of information based crimes and prevention of unfair
competition affect SMEs greatly. The main legal problems in electronic commerce applications can be outlined as the following (Kalakota and Whinston, 1997, p. 33):

a) Intellectual ownership rights,
b) Taxation,
c) Approval procedures,
d) Deficiencies in international laws,
e) Privacy rights of people,
f) Validity of electronic documents problem,
g) Validity of digital signature problem,
h) Determining responsibilities of service providers,
i) Necessity to review laws by considering electronic environments,

Although so far insignificant developments have been achieved in universalizing legal infrastructure of electronic management operations among countries in areas such as digital signature, reliable third party, information management and safety, information crimes and coordination of electronic commerce, still some critical legal expansions have been achieved.

6.9 Safety problems:

Just as in traditional commerce, the basic condition in electronic commerce is the users' trust to the system. In a commercial procedure necessitating any contract or electronic communication even just for information transfer, the users (individuals or companies) on rightful grounds do not want third parties accessing to their private personal / corporate information, namely commercial, financial. Besides in communication that is open to third parties aside from privacy of personal data, integrity of transferred information (or in other words receiving the knowledge as it is originally) and confirmation of the identities of parties should also be guaranteed. The condition, which is being discussed in terms of technique and basic human rights, is to utilize which technique, administrative and legal tools to guarantee desired levels of privacy, information integrity and identity confirmation. Unless they are provided in sufficient levels, global development of electronic commerce will be affected significantly (Sadowski, 2002, p. 81).

Safety problems SMEs can face in commercial activities during electronic commerce operations can be expressed as indicated below (Palvia and Palvia, 1999):

- Access to web sources, which have no access authority,
- Damaging information and web resources,
- Changing, mixing or making additions to information,
- Transferring information to unauthorized personnel,
- Stealing information and web sources,
- Denying purchased services, transmitted or received information,
- Claiming to have received or transferred information, not received or transferred at all (Kraemer and Carayon, 2007).

According to the estimations in U.S.A., the value of the data stolen in one year is above 10 billion US dollars. As stated in a research conducted in 1996 on 1320 firms; 78% of participants declared to have lost money due to safety break, 63% asserted to have faced loss due to viruses, and 20 users stated to have lost at least 1 million US dollars (Singh and Frolick, 2000, p. 58).

7. General Review

Developments in electronic commerce provide brand new advantages in terms of SMEs information technologies usage and access to global markets. However, SMEs have many problems including lack of technological infrastructure and locality, language, infrastructure, environment, legal, safety as categorized under two groups namely technical and cultural. Except U.S.A. and Singapore, which are developed countries regarding information technologies and electronic commerce, SMEs stick to the "wait and see" policy in many other countries. Governments and certain international organizations concerned with this issue have been working on comprehensive projects on a global scale to enable active participation of SMEs in electronic commerce. Furthermore, the fact that SMEs free themselves from traditional commerce practices and adopt new methods thoroughly seems to be closely related to the drive in market conditions and transformation in current business culture.
Prospective contributions that will emerge with electronic commerce implementations in SMEs are presented below (Burgess, 2002, p. 79; Kotler, 2000, p. 519; Mehrtens et al., 2001, p. 169):

**Improved customer base:** Enterprises may implement their electronic commerce activities without any regional boundaries, time or country limits. Hence, they may obtain important advantages in global activity by carrying their operations across the borders of region and country.

**Time saving in delivery of product and services:** Industrial market movement of goods and delivery time may cause great commercial problems. Since almost any enterprises avoids keeping stocks and thus order only when necessary, delivery time gains more attention. Web-based orders, compared to traditional orders, are provided and processed more quickly.

**Increased sales:** An increase trend in the sales of enterprises is observed at the end of electronic commerce process. Increased sales incomes are even more important for small enterprises. Online sales to customers, order chances and online check of the status of orders would add to customer satisfaction and sales.

**Deactivation of mediators:** The spread of Internet based electronic commerce has deactivated the mediators operating from producer to customer in the supply chain. Hence, producers offer cheaper, quicker goods and services to customers. Continuous and more appropriate information flow is attained.

**Increased customer satisfaction:** One of the most important outcomes of electronic commerce is increased customer satisfaction and service level. Because of electronic commerce, customers receive products and services on time; acquire online information, are connected directly to a customer based communication system. The needs of customers are determined by customers themselves and thus increase customer satisfaction.

**Improved efficiency and reduced costs:** Decreased use of paper and manual operations, automation of e-commerce, news, business and operation processes play vital roles in reducing operation costs of enterprises.

**Increased competition:** Because of Internet, all enterprises regardless of their size, acquire equal conditions while accessing their customers. By electronic commerce, SMEs will be able to compete against large-scale enterprises with their recognized trademarks, purchase power, and mature structure (Poon and Swatman, 2000, p. 247).

**Decrease in Order Processes and Bureaucracy:** It is inevitable that once orders are transferred to the Internet, the size of personnel will decrease as compared to the traditional method of receiving and registering orders. In the same way, due to electronic works in place of paper work, enterprises will focus on stocks and inventory and search new ways to develop more creative cooperation with their suppliers. In this way, simplification occurs in routine orders processes and repeated works are automated. Thus, unnecessary applications are eliminated.

**Trained customers:** Electronic commerce will enhance cognitive literacy of customers and thus they become intellectually more capable. In order to make use of electronic commerce, customers are expected to possess Internet knowledge and computer skills.

**Trained employees:** Electronic commerce has positive effects on knowledge accumulation of employees as well. To ensure the success of electronic commerce, continuous training programs should be implemented and employees should adapt to the organizational transformation introduced by electronic commerce.

Basic economic effect of electronic commerce is that it creates an economic activity area where handicaps are less in number. This particular effect is basically an outcome generated by rapidly developing information technologies. Since electronic commerce uses this rapidly developing infrastructure, it will have such a great effect on economic life as well. Electronic commerce integrates potentially all the producers, suppliers, users and customers. Hence, it may be acknowledged that it is endowed with capabilities providing many forms of satisfaction that has been dreamed ever since the beginning of industrial revolution.

8. **A Study of the Turkish Automotive Supplier Industry**

8.1 **Scope of the Research**

The purpose of this research is to study the influencing factors, obstacles, and reasons for initiating electronic commerce in SMEs that are active in 2008 as suppliers of the Automotive Industry in Turkey. Population being too large in size, the sample of the research is arbitrarily chosen from the data base of TAYSAD, which is the Association of Automotive Suppliers in Turkey. The reasons of referring to the TAYSAD data base are as follows:

a. All organizations active in the industry are legally required to become a member of the Association,

b. its data base is frequently updated, and

c. information about the member profiles is easily accessed.
Examination of the TAYSAD data base has revealed that 268 organizations are currently registered. The suppliers not fitting the criteria or scale, or currently inactive have been eliminated and thus only 192 organizations are included in the research.

Taysad established in 1978 and a member of Clepa - the European Association of Automotive Suppliers (www.clepa.be) - is the only authorized association representing the suppliers in the Turkish Automotive Industry. The Association is creditable in all automotive part and component transactions by the foreign and domestic organizations.

The product range of the TAYSAD members is sufficient to create 85-90 percent of the Turkish Automotive Industry production locally. The 268 registered members of the Association provide parts and components for the Turkish Automotive Industry and create 65% of the production and 70% of the exports. Eighty-five percent of the members are active in the Marmara region, 10% in the Aegean, and 5% in the others. The registered 268 companies of TAYSAD employ 72 000 workers and provide employment for 127 000 people including its suppliers. Fifty-eight registered companies have foreign partners with varying degrees of capital share.

The questionnaires were distributed to 268 companies as e-mail attachments, surface mail, face-to-face interviews, or by invitation to visit the website www.selcuk.edu.tr/zerenler/anket.01.html in the months of May and June 2012. As 31st of July 2012, 192 responses have been received (a response rate of 71.6%); but twenty-four of the organizations registered in the data bank of TAYSAD could never be reached. Eighty-five responses were received as e-mail attachments, 42 by surface mail, 36 face-to-face interviews, and 29 by website visits.

8.2 Findings of the Research

As it is seen in Table 2, 33.6% of the organizations involved in the study have been active in the last 10 years. The companies with employment 200 and above are not included in the research. Hence, the study encompasses only small and medium size enterprises. The results illustrate that most of the respondents in the survey are top level professionals.

### Table 2. Characteristics of the Companies

<table>
<thead>
<tr>
<th>Operation period</th>
<th>Frequency</th>
<th>Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 6-10 years</td>
<td>79</td>
<td>41.2</td>
</tr>
<tr>
<td>Between 11-25 years</td>
<td>73</td>
<td>38.0</td>
</tr>
<tr>
<td>More than 26 years</td>
<td>25</td>
<td>13.0</td>
</tr>
<tr>
<td>Between 1-5 years</td>
<td>15</td>
<td>7.8</td>
</tr>
<tr>
<td>Total</td>
<td>192</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Status of the respondent</th>
<th>Frequency</th>
<th>Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>General manager</td>
<td>51</td>
<td>26.6</td>
</tr>
<tr>
<td>Information center manager</td>
<td>47</td>
<td>24.5</td>
</tr>
<tr>
<td>Marketing manager</td>
<td>32</td>
<td>16.7</td>
</tr>
<tr>
<td>Public relations manager</td>
<td>22</td>
<td>11.5</td>
</tr>
<tr>
<td>Owner</td>
<td>17</td>
<td>8.9</td>
</tr>
<tr>
<td>Information expert</td>
<td>14</td>
<td>7.3</td>
</tr>
<tr>
<td>Board member</td>
<td>9</td>
<td>4.5</td>
</tr>
<tr>
<td>Total</td>
<td>192</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The implementation level of the electronic commerce instruments in the companies involved in the study is illustrated in Table 3. Comparing the current level to the level three years ago indicates an increase in the implementation of electronic commerce instruments. As is it discussed in the previous sections, significant increases of implementation are expected in the near future as the SMEs gain more awareness. SMEs may gain competitive advantage against large scale enterprises and access to markets at low cost performance through increasing their electronic commerce abilities. As it is known, one of the major obstacles constraining electronic commerce activities of SMEs is distribution systems. However, it is possible to overcome this obstacle through utilizing distribution chains of large scale companies or outsourcing from the service suppliers in this field.
Table 3. Implementation level of electronic commerce instruments

<table>
<thead>
<tr>
<th>Electronic commerce instruments</th>
<th>Three years ago</th>
<th>Current</th>
<th>Change</th>
<th>Wilcoxon Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average</td>
<td>Std. Dev.</td>
<td>Average</td>
<td>Std. Dev.</td>
</tr>
<tr>
<td>Internet</td>
<td>4.36</td>
<td>0.68</td>
<td>4.83</td>
<td>0.84</td>
</tr>
<tr>
<td>Telephone (desk)</td>
<td>3.92</td>
<td>0.72</td>
<td>4.02</td>
<td>0.90</td>
</tr>
<tr>
<td>Electronic mail</td>
<td>3.87</td>
<td>0.88</td>
<td>4.76</td>
<td>0.72</td>
</tr>
<tr>
<td>Fax</td>
<td>3.76</td>
<td>0.64</td>
<td>3.28</td>
<td>0.94</td>
</tr>
<tr>
<td>Electronic data interchange</td>
<td>3.41</td>
<td>0.82</td>
<td>3.56</td>
<td>0.88</td>
</tr>
<tr>
<td>Electronic payment and money transfer systems</td>
<td>3.29</td>
<td>0.90</td>
<td>3.85</td>
<td>0.73</td>
</tr>
<tr>
<td>Television</td>
<td>1.63</td>
<td>0.74</td>
<td>1.72</td>
<td>0.96</td>
</tr>
<tr>
<td>Telephone (mobile)</td>
<td>1.18</td>
<td>0.62</td>
<td>2.23</td>
<td>0.58</td>
</tr>
</tbody>
</table>

The results in Table 4 indicate that the companies aim to utilize time advantage of electronic commerce for accessing new markets. In general, SMEs face problems in accessing new markets because of reasons such as limited financial resources, insufficiency of qualified labor, and locality of marketing and distribution systems. Electronic commerce seems to provide advantages to overcome these problems. If compared to traditional commerce, SMEs obtain significant benefits of electronic commerce implementation against large scale companies as they move from local markets to global competition. Indeed, SMEs have acquired important advantages against large scale companies through electronic commerce despite the differences among industrial sectors.

Table 4. Importance level of electronic commerce implementation

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Arithmetic average</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessing new markets</td>
<td>4.68</td>
<td>0.90</td>
</tr>
<tr>
<td>Achieving competitive advantage</td>
<td>4.43</td>
<td>1.04</td>
</tr>
<tr>
<td>Gaining extra revenues</td>
<td>4.19</td>
<td>0.78</td>
</tr>
<tr>
<td>Cost reduction</td>
<td>3.95</td>
<td>0.92</td>
</tr>
<tr>
<td>Impact of rivals</td>
<td>3.76</td>
<td>1.07</td>
</tr>
</tbody>
</table>

Note: (i) n=143; (ii) In the scale, 1 indicates no impact, 5 definite impact; (iii) Friedman two way ANOVA test ($\chi^2=482.256$ and $p<.001$), the results are statistically significant.

The results in Table 5 reveal that the most important impact of electronic commerce is enhancement of business activities. In addition, issues such as better access to global markets, improvement of customer services, increase of competitiveness, increases in future revenues through creating new products and services, increases in future revenues through creating new products and service, more options provided to customers at cheaper prices, increase of delivery speed, and better inventory performance have provided benefits to companies in their electronic commerce activities. On the other hand, better understanding of customer demands and expectations, better distribution performance, and achievement of more effective knowledge management seem to influence less than the other factors. However, overall all factors being above average indicates that electronic commerce generate some significant effects on SMEs. In fact, electronic commerce implementation has created some positive major impact on areas, which face many problems and limitations. The automotive suppliers industry provides parts to the major industry. Hence, it has a significant value because of its volume of transactions, but limited in terms of its customers. The automotive suppliers industry utilizes the benefits of electronic commerce implementation in order to enhance business, to facilitate business processes, and access to customers.

Table 5. Impact of electronic commerce

<table>
<thead>
<tr>
<th>Impact</th>
<th>Arithmetic average</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancement of business activities</td>
<td>4.17</td>
<td>0.92</td>
</tr>
<tr>
<td>Better access to global markets</td>
<td>4.02</td>
<td>0.90</td>
</tr>
</tbody>
</table>
In Table 6, the importance level of obstacles constraining electronic commerce activities is shown. The companies point out that lack of three dimensional visual, touch effects, and test drives for automobiles and parts is the major obstacle constraining electronic commerce activities. As stated in the previous sections of the study, commodities such as automobile and real estate are not the goods that can be easily purchased because of their value and consumption. Hence, their purchasing process is more complicated and requires longer time as compared to non-durable goods purchased and consumed more frequently. In the light of these circumstances, the situation is quite the same for the products of automotive supplier industry. Even though the model, type, price, and other characteristics of the demanded products are well known by customers and providers, the lack of three dimensional visual, touch effects, and test drives significantly influence electronic commerce just like in traditional commerce activities. However, companies nowadays can easily monitor the products they want to purchase in the Internet and place their orders.

Lack of customization for automobile parts is another major obstacle to foster electronic commerce. However, as mentioned in the previous sections, mass customization practices are increasingly employed in many industrial sectors, including the automotive industry. In the automotive industry, it is extremely important to meet and even exceed customer expectations and needs. Lack of customization for automobile parts as pointed out by the companies may be attributed to an important limitation of technological capability. Hence, the Industry is required to develop its technological infrastructure, qualified manpower, and sophisticated information systems.

Table 6. Importance level of obstacles constraining electronic commerce activities

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Arithmetic average</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of three dimensional visual, touch effects, and test drives for automobiles and parts</td>
<td>4.43</td>
<td>1.88</td>
</tr>
<tr>
<td>Lack of customization for automobile parts</td>
<td>4.29</td>
<td>0.94</td>
</tr>
<tr>
<td>Internet not being reliable</td>
<td>3.86</td>
<td>0.86</td>
</tr>
<tr>
<td>Requirement of Internet address for the companies</td>
<td>3.71</td>
<td>1.04</td>
</tr>
<tr>
<td>Lack of technological infrastructure of the major industry</td>
<td>3.58</td>
<td>0.90</td>
</tr>
<tr>
<td>Major industry preferring traditional commerce</td>
<td>3.36</td>
<td>1.12</td>
</tr>
<tr>
<td>Lack of face-to-face communication with sales people</td>
<td>3.09</td>
<td>0.76</td>
</tr>
<tr>
<td>Insufficiency of Internet payment methods</td>
<td>2.91</td>
<td>0.81</td>
</tr>
<tr>
<td>Small number of product varieties</td>
<td>2.85</td>
<td>1.02</td>
</tr>
<tr>
<td>Poor designed websites</td>
<td>2.62</td>
<td>1.13</td>
</tr>
<tr>
<td>Insufficiency of websites</td>
<td>2.57</td>
<td>1.06</td>
</tr>
</tbody>
</table>

Note: (i) n=192; (ii) In the scale, 1 indicates no impact, 5 definite impact; (iii) Friedman two way ANOVA test (χ²=724.363 and p<.001), the results are statistically significant.
Table 7. Opinions about the future of electronic commerce

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Arithmetic average</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations will become more dependent on electronic commerce.</td>
<td>4.62</td>
<td>1.06</td>
</tr>
<tr>
<td>Electronic commerce will provide strategic competitive advantage.</td>
<td>4.31</td>
<td>1.02</td>
</tr>
<tr>
<td>Electronic commerce will impact organizational structure of the companies radically.</td>
<td>4.17</td>
<td>1.08</td>
</tr>
<tr>
<td>Electronic commerce will be a part of conversion for our business.</td>
<td>3.79</td>
<td>0.92</td>
</tr>
<tr>
<td>Currently, electronic commerce is part of our business.</td>
<td>3.38</td>
<td>0.90</td>
</tr>
</tbody>
</table>

Note: (i) n=192; (ii) In the scale, 1 indicates not accept, 5 definitely accept; (iii) Friedman two way ANOVA test ($\chi^2=682.136$ and $p<.001$), the results are statistically significant.

9. Conclusion

Globalization and intensive influence of information technologies renders it indispensable to carry out commercial activities in electronic ways. Small and medium enterprises (SMEs) are increasingly utilizing the electronic commerce for their commercial activities. Hence, electronic commerce is developed almost in every industrial sector as witnessed by the increasing number of examples. It provides too many advantages and benefits to companies and other organizations.

Electronic commerce has significantly transformed the way in which firms conduct business, allowing them to gain more business opportunities and competitive advantage. However, the results from the study have revealed a lack of or slow uptake of electronic commerce technologies among the local SMEs. The objectives of this study were to understand and determine the importance of internal and external barriers; and thus provide support to overcome their problems. Among the different variables studied, technical, financial and social/cultural barriers have been reported to create significant influence in the context of electronic commerce development in the SMEs.

The study conducted in the Turkish Automotive Supplier Industry has revealed that electronic commerce has been adopted and its benefits are accepted by the companies. However, the industry has to overcome some of the difficulties to implement it more efficiently and effectively.

References


Database Marketing Application and Barriers Faced by Firms in Service Sector in Albania
A Framework For Understand Its Role In Creating Competitive Advantage

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Abstract
Competitive advantage is increasingly considered to be one of the key drivers of long-term success of an organization in today’s competitive markets. Before looking for a competitive advantage a lot of work has already been done. Sales goals have been reviewed; target markets are defined, problems and opportunities are defined and a thorough marketing plan is prepared. A marketing database is a collection of valuable structured information on present and prospective customers. The information gathered includes, who they are, where they buy, when they buy and how they buy. A proper database marketing system adds value to an organization, so it plays an important role in creating the competitive advantage. This paper contributes in the discussion about the identification of the barriers faced by large and medium firms in the service sector in Albania, trying to build competitive advantage through database marketing use.

Keywords: database marketing, service sector, services, competitive advantage.

1. Introduction
With the amount of information that the Internet offers grows the length of time needed for their selection. We are overwhelmed by large amounts of information that is useless for us and than is problem to find those that are important to us. Therefore, knowledge discovery is playing an increasingly greater and greater role. Database Marketing (DBM) arises as a natural response to the development of electronic commerce and the growth of a large amount of information. Electronic commerce is a new economy, which places high demands for its effective use. The necessity of effective information handling solves database marketing. Its purpose is to gather data about customers, carefully save these data into databases, retrieve data from the relevant information and then use this information for improved decision-making processes⁹.

2. Research methodology
This paper is based on primary and secondary data. Primary data are results of a survey research about barriers faced by large and medium firms in the service sector in Albania, trying to build competitive advantage through database marketing use. Secondary data are results of literature review and other studies in this field. The study consisted in face - to-face interviews with decision makers and marketers within 34 large and medium firms that operate in service sector in Albania. The survey was carry out as an enterprise survey, that is data collection and reporting focus on the enterprise rather than on the establishment. The sample drawn was a simple one.

3. Database marketing
Cooke (1994) suggests that DBM may date back as far as the 1800’s, when a tailor who owned the business would record information about their customers on note cards. They would use this information to make the customer’s
experience easier and a little more personal on the next visit. Sears Roebuck & Co. first discovered that by including a catalog with outgoing orders, their most recent customers would probably order again. Although this is a better example of a direct marketing campaign, Sears knew that the information that they had from their current customers was beneficial to their continued success (Kahan, 1998).

Companies have been utilizing informal versions of DBM for years, but it was not viewed as a marketing tool until the late 1970’s and 1980’s as computers became more efficient. During the early 1980’s mass marketers began to apply DBM techniques by storing names, addresses, and purchasing history of existing customers. DBM initiated the concept of using individualized consumer information to benefit organizations beyond the direct mail industry. Businesses started to realize that information gathered from previous and current customers could be instrumental in designing effective marketing campaigns (Petriso, Blatfberg, & Wang, 1997).

DBM is derived from direct marketing, relationship marketing, and CRM (DeTienne & Thompson, 1996). These researchers describe DBM as a systematic collection process of information regarding past, current and potential customers.

When accurately maintained in a database this information can help develop marketing strategies to attract new customers while fostering more personal relationships with current customers. Wright and Fletcher (1998) describe DBM as the ability to utilize the potential of computer technology to facilitate more personalized customer communication in a productive and cost effective way.

Morrison (2010) provides a similar definition of DBM stating that computer database technologies are used to create and manage customer data lists. The lists include characteristics of customers and past purchasing behaviors. Potential benefits derived from these lists are locating, selecting, targeting, servicing, and establishing customer relationships to develop the long-term value of those customers. As computer software continues to improve so do the capabilities of DBM campaigns.

In a DBM strategy, organizations gather data pertaining to customers. The data are stored, monitored, and updated regularly. It is referred to develop more personalized relationships with current customers. It is suggested that in order to please customers, organizations must first get to know them (DeTienne & Thompson, 1996). Kahan (1998) believes that the development of these relationships benefits the customers in terms of recognition and satisfaction, and makes the companies more profitable as a result.

Kahan (1998) further elaborates that successful database marketers use two different approaches when collecting data. Cognitive and behavioral information is gathered. In other words, the focus is on how customers appear and how they act. Some examples of cognitive analyses used on current customers include identifying demographic and psychographic information. By defining this data about current customers, the evidence can be used to create an ideal target market for potential customers.

Database marketing is the creation of a computerized marketing database using information technology and marketing to current and potential customers as individuals, in a smarter, faster and more cost effective way than competition, for their benefit and to customers profit. Businesses that venture in to database marketing are able to sell to a myriad of customers one at a time (David, 1998). This helps companies to grow comfortably making use of the sophistication of technology. A proper database marketing system adds value to an organization. But an implementation of a system which focus on technology for the sake of technology will miss the point (Cameron, 1998). It becomes valuable only if the flexible technology used promotes the easy use of the system by marketers to tackle challenging business problems.

4. Competitive advantage

Companies can achieve competitive advantage by conceiving new ways to conduct the activities of the value-chain in order to deliver superior value to customers, which may be defined as an act of innovation (Porter, 1985). It is seen that innovation and the competitive advantage process are inter-connected. However, empirical evidence shows that innovation leads to sustained competitive advantage has been confined to manufacturing industries. While the importance of innovation for national competitiveness and economic growth is recognized, services are viewed as innovation laggards that make little or no contribution to either productivity or growth. However, in addition to an increasing strength of competition and changes in technology, the move by organizations to a major dependence on services would point to the importance of innovation as a key component for competitive advantage for service firms (Weerawardena and McColl-Kennedy, 2002, p.13). A number of key characteristics of services differs them from products. Some of these characteristics are (Miles, 1993; Weerawardena and McColl-Kennedy, 2002, p.14):

a. a close interaction between production and consumption (co-terminality)
b. a high information-intangible content of services products and processes

c. an important role played by human resources as a key competitive factor

d. a critical role played by organizational factors for the firm's performance.

5. Database as a source of competitive advantage

5.1 Database Marketing as a Source of Strategic Competitive Advantage

Activities that yield sustained, better than normal returns on investment are considered competitive advantages and are strategic in nature (Porter 1985). Porter identified five strategic areas of competitive opportunity for information technology:

- changing the basis of competition;
- strengthening customer relationships;
- overcoming supplier problems;
- building barriers against new entrants;
- generating new products.

Stone and Shaw (1987) see database marketing offering competitive opportunities in all these areas.

- Change the basis of competition by creating and maintaining a database and using it to: win customers from the competition; transform how a field sales force works; provide a cost-effective means of serving small customers.
- Provide a means of strengthening customer relationships through individualized relationships with consumers that will assist companies in not only acquiring and defending customers but in stimulating revenue growth.
- Provide companies with alternative sales channels so they can overcome supplier problems and achieve a lower cost of sale, through applications such as, telemarketing, mail order, and inquiry management.
- Be a unique asset and present barriers to market entry. Conversely, database-marketing capabilities can also be used to break into new markets.
- Be used to generate new products and services. Superior customer information available through a marketing database allows a company to spot emerging trends and be first to market with new products or services.

Further, the information in the database can be seen as a product in its own right. Another strategic aspect of the competitive potential of database marketing is its ability to support organizational learning. The ability to learn faster than a firms competitors has been posited as the only true source of sustainable competitive advantage today (Slater and Narver 1995; De Tienne and Thompson 1996). A learning orientation manifests itself in a continuous collection of information about target-customers needs and competitor's capabilities and the use of this information to create continuously superior customer value. A database marketing system supports organizational learning in each of its key stages: information acquisition; information dissemination and shared interpretation. The customer database mechanizes the process of learning about customers.

5.2 Database Marketing as a Source of Tactical Competitive Advantage

More often than not, however, achieving competitive advantage using database marketing refers to its use tactically rather than strategically. Commonly claimed tactical benefits (Davis 1997; Lewington et al. 1996; Berry and Maclean 1989) from the effective use of database marketing include the ability to:

- track customer buying patterns and understand their motives;
- target marketing efforts;
- vary messages to different customer groups;
- customize promotions, prices and services to individual consumers;
- reduce marketing costs and increase profits;
- improve customer retention through loyalty programs;
- coordinate the delivery of multiple services to the same customer;
- augment core offerings with valued incentives;
- personalize dialogue;
- increase customer awareness and sales;
- minimize communication errors and breakdowns with customer;
- efficiently monitor customer credit;
predict response and project life-time value of individual customers;
conduct market research and testing;
apply statistical techniques to improve understanding of customer groups; and
track and measure the outcome of different marketing programs.

Among the firms currently using database marketing, the majority of which have not moved beyond its tactical use (Fletcher, Wheeler and Wright 1991, Roberts 1997). Fletcher, Wheeler and Wright (1991) believe the true advantages of database marketing lie in its strategic use but admit that most companies would need to make considerable changes to achieve this advantage.

6. Obstacles to database marketing

The literature review identifies four areas as critical to the development of competitive database marketing systems. These are:

- environment
- technology
- marketing applications
- strategy versus tactics.

How organizations manage the challenges that arise in these areas determine the effectiveness of their database marketing system.

6.1 Environmental Obstacles to Database Marketing

Environmental obstacles, both within and external to the organization, play a major role in the development of database marketing systems. Internal issues, or organizational barriers, are frequently more important than other barriers, but often not perceived as so by practitioners (Fletcher and Wright 1995). Organizational barriers fall into one of three major areas: cultural issues; resource issues and cognitive limits.

Today’s external environment also presents numerous challenges to effective database marketing. External issues of primary concern include: data ownership; privacy; exclusionary practices and supplier interface. The impact and intricacy of external issues is compounding as companies take their database marketing strategies global.

Internal Obstacles - Cultural Issues: Research identifies five issues tied to organizational culture, which impact companies as they implement database marketing. These issues are:

- management understanding and objectives;
- cooperation and commitment;
- organizational structure and ability to change;
- decision making styles; and
- marketing and information orientation.

6.2 Technical Obstacles to Database Marketing

While firms are more cognizant of technical barriers than organizational barriers, often they still "lack critical understanding of how databases should be designed, maintained and applied to help build customer relationships" (De Tienne and Thompson 1996). When implementing database marketing, technical barriers have been found in four major areas:

- database design;
- data selection and maintenance;
- data analysis and application; and
- 'build or buy' decision.

7. Research results: obstacles, problems and issues faced by firms on the service sector in Albania trueing to use database marketing

According to the survey conducted to the 34 large and medium firms in the service sector in Albania that use database marketing result that:

23% of the firms involved in the research answered that they did not use database marketing.
Some of the firms which implemented database marketing didn’t have a clear understanding of its benefits.

Only 13% of them agreed with the statement: “database marketing is generally not understood throughout our organization”. They lacked an understanding of the basic concepts of relationship and database marketing, so this made them uncertain of its benefits and how to apply it to their business.

All the firms which use database marketing answered that they were aware about the importance of the need for the investment in further development of the system. They understood the need to commit resources to the system.

Due to the economic situation of the country only 38% of firms expected to substantially increase database-marketing expenditures over the next three years even though they agreed to the fact that failure to anticipate and develop long-term investment justifications for database marketing is a barrier to its development, as well as its maintenance.

Database users firms agreed that database marketing requires skill sets many organizations do not possess, which according to Jackson and Wang (1997) are divided into four groups: marketing skills; technology skills; statistical skills and data management skills.

48% of responding firms agree that their organizations lack internal personnel with appropriate skills for database marketing.

They also agreed to the fact that the quality of services offered by suppliers is very important in an firm’s decision to adopt database marketing.

They did rely on external experts to support internal resources. 49% of them used systems/database developers, 43% used statisticians and data modelers; 18% used direct marketing agencies and other sources. While they consider these sources of support necessary to implement a database marketing strategy, they also expressed concern over the quality of the service being provided from them.

8. Conclusions

The objective of database marketing is to establish a one-to-one relationship with the customer or prospect in order to provide “the right stuff” – the right product, at the right price, at the right time, in the right way, to the right person. A proper database marketing system adds value to an organization, so it plays an important role in creating the competitive advantage.

This paper contributes in the discussion about the identification of the barriers faced by large and medium firms in the service sector in Albania, trying to build competitive advantage through database marketing use.

The research results reveals that firms should pay more attention to the goals setting that are aligned company’s mission because just having database marketing goals is not sufficient. When they manage to do this, the potential of database marketing is at its greatest. For achieving a better result in building competitive advantage, it is important to pay a special attention to the cooperation and co-ordination among all functions in the company. Internal cooperation between the marketing and information systems departments or persons responsible for marketing and information system in the case of the firms that don’t have a specific department, is especially crucial to successful database development.

Even though the firms included in the research consider external sources of support necessary to implement a database marketing strategy, they also expressed concern over the quality of the service being provided from them. They need to become aware of the fact that developing the appropriate skills within the organization, versus relying on outside expertise, is important to successful database marketing.

Organizations, like people, are limited in the amount of information they can process and comprehend. The ability to collect and store vast quantities of information has resulted in emerging mountains of data that often outstrip the organization’s ability to use it effectively (Whipker and Downey 1994; Miglautsch 1995). Today, databases are used as a substitute for speaking and listening to the customer. Until organizations understand how better to value, manage, and interpret information from their databases, cognitive limitations will present obstacles to competitive advantage.

As the value of data as an asset in its own right grows, arguments over ownership are likely to accelerate. Companies who wish competitive advantage from database marketing will need to ensure they have a steady, proprietary source of consumer data.

If companies do not choose database-marketing vendors carefully, the vendors can become a major impediment to effective database marketing.

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